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NEAR EAST/SOUTH ASIA REPORT

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REGIONAL AFFAIRS

GCC STATES PLAN UNIFIED CUSTOMS REGULATIONS

Dubayy AL-BAYAN in Arabic 19 Sep 85 p 2

[Article by 'Ali Lashin: "Committee of Experts To Draw Up Uniform Customs Tariffs. Border Entry and Exit Procedures For Individuals and Goods to Be Simplified"]

[Text] The eighth conference of customs directors in the GCC states of the Arab Gulf has concluded its work after a 2-day meeting in Dubayy.

Dr 'Abdallah al-Quwayz, the GCC deputy secretary general for economic and financial affairs, who has attended the sessions of the conference, announced that the customs directors have discussed in their regular biannual conference those items that will result in easing trade between GCC states, and that they considered the volume of this trade and the possibility of increasing it in the coming months and years.

In addition, they also discussed the subject of the customs institute, approving its basic organizational make up, which was previously submitted by a technical committee. They also requested that the GCC general secretariat draft the institute's budget and estimate the costs of its establishment.

The conference also discussed the possibility of coming up with a procedure for returning customs duties on foreign goods in the event of their being reexported from one country to another within the GCC. A text for such a procedure which took note of the comments of all the member states on the subject has been formulated. But the existence of procedures and laws for the protection of local agents in some of the council states makes the enforcement of such a procedure unfair, and that is why it was decided to submit the whole matter to the coming meeting of the ministers of finance and the economy.

The customs directors also discussed setting up a program to unify customs tariffs between member states and the outside world within the time limit delineated by the economic agreement, which is March 1987.

It has been agreed in this regard that a committee of experts on tariffs will meet to propose such a program, it being slated to meet at the general secretariate in Riyadh in January 1986.

They also discussed the possibility of easing entry and exit procedures for goods and individuals and agreed that implementing this would be possible by way of simplifying and unifying samples, procedures and registers. A committee from Saudi Arabia and Kuwait will convene a number of successive meetings in order to arrive at such a simplification, and when the experiment between the two states proves to be succeessful, it will be extended to the rest of the land border posts between member states in the council.

The conference also reviewed the complaints that are being made by some companies and individuals about the treatment they had encountered from customs authorities when transporting goods from one state to another within the council. All these complaints have been dealt with, including the one made by cattle merchants in Dubayy about transporting sheep and cattle caravans from Turkey and Syria without permitting them to stop in Saudi Arabia. After studying the matter, the competent authorities have agreed to permit them repeated stopovers while transiting the Kingdom.

The second complaint, also from the Emirates, came from one of the food oil companies, which complained that Baharain has imposed customs duties on the company even though its production is considered to be national. The chief of the Bahrain delegation mentioned that it was discovered that the name of the company in certificates of origin did not correspond with its name on the oil containers that it exports to the Bahrain market. It was agreed to unify the name and solve the problem.

The third complaint to be discussed was from agricultural products merchants in Saudi Arabia who are subjected to long delays at the Kuwaiti border, resulting in damages to their products from exposure to the heat of the sun. It was possible to find the required solutions for this problem by having these products hauled in the early morning and easing the pocedures for their entry.

The Saudi director of customs also explained the aim of the kingdom's recent decision to forbid entry of refrigerator trucks to its territory when carrying goods intended for the Saudi market, and said that this decision is being implemented with regard to everyone, including the Saudis themselves. It is not being implemented, however, on refrigerator trucks transiting to the Gulf markets.

He also said that this confirms that matters are proceeding as they should, as in spite of the steady increase in the volume of trade between council states, problems are few and limited.

Concluding his remarks, he said that the next conference of customs directors will be held in 6 months in Musqat.

On another subject, Ibrahim 'Abdallah al-Ghanim, the general director of maritime customs, the chief of the Kuwaiti delegation, and the current conference president, announced that an agreement was reached for the heads of the Israeli boycott bureaus of the Gulf states to meet during October 1985 in Saudi Arabia with the aim of uniting opinions among GCC states before the convening of the upcoming general boycott conference in Damascus.

12775
CSO: 4404/113

REGIONAL AFFAIRS

ARAB POPULATION GROWTH TRENDS SUMMARIZED

Dubayy AL-BAYAN in Arabic 20 Sep 85 p 3

[Article: "The 1985 Unified Arab Economic Report. Population of the Arab Homeland To Exceed 190 Million at the End of This Year"]

[Text] The 1985 unified Arab economic report which will come out soon indicates that the population of the Arab homeland reached approximately 186 million inhabitants in 1984, while it is expected that this number will rise to 192 million inhabitants at the end of 1985 and up to 288 million in the year 2000.

This report, which was prepared with the participation of the general secretariat of the Arab League, the Arab Monetary Fund, the Arab Fund for Economic and Social Development, and the Organization of Arab Petroleum Exporting Countries stated that in terms of population Egypt was in the vanguard of the Arab states with a population that reached approximately 46 million in 1984, while the population of each of three other Arab states exceeded 20 million inhabitants, they being Morocco with 22 million and Algeria and the Sudan with 21 million inhabitants each.

Thus Egypt, Morocco, Algeria, and the Sudan, all situated in Africa, comprise more than hlaf the population of the Arab homeland as these four states contain 111 million inhabitants.

Among the Arab states with a population reaching 15 million or less, however, are Iraq with 15 million, Saudi Arabia with 11 million and Syria with 10 million.

As for the GCC states , the biggest population count is in Saudi Arabia, followed by Kuwait with 1.703 million inhabitants, the Emirates with 1.255 million, the Sultanate of Oman with 1.181 million, Bahrain with 414,000, and Qatar with 291,000.

The report also draws attention to the growth in the urban population of the Arab homeland which now comprises 60.4 percent of the total population.

The highest percentage in the urban population of the Arab homeland occured in the GCC countries, with the exception of the Sultanate of Oman where the percentage of city dwellers is approximately 9 percent only. This percentage rises to 93 percent in Kuwait, 88 percent in Qatar, 81 percent in Bahrain, 77 percent in the Emirates and 73 percent in Saudi Arabia.

The report ascribs the reasons for the migration of the population to the cities to the concentration of projects in drilling areas and to poverty in agricultural areas as a result of the geographical nature of the region.

The percentages of urban populations in Arab countries with high populations amount to 66 percent in Algeria, 46 percent in Egypt, 43 percent in Morocco, and 29.4 percent in the Sudan.

The report explained that the natural rate of growth in the Arab homeland is among the highest in the world, amounting in the period between 1980 and 1985 to 3.24 percent as opposed to 1.7 percent worldwide, 0.6 percent in the advanced industrial states, and 2 percent in the developing countries.

The natural growth rates vary perceptably in the Arab countries, and are distinguished by their high range in those states with comparatively big populations, amounting to 2.8 percent in Algeria, 2.7 percent in the Sudan, 2.6 percent in Morocco, and 2 percent in Egypt.

Jordan is the Arab country with the highest growth rate, with 3.9 percent, followed by Syria with 2.3 [as published] percent, Libya with 3.2 percent, Mauritania and Saudi Arabia each with 3 percent, Lebanon with 1.8 percent, Tunis with 1.7 percent, and the UAE with 1.6 percent.

The report ascribes the rise in the natural growth rate in the Arab homeland basically to the rise in the birth rate, still maintaining its high range, which is in excess of 40 per thousand and which is not expected to fall in the near future.

The birth rate exceeds 40 per thousand in 12 Arab states and reaches 50 per thousand in Mauritania. It is in the Emirates, however, that the lowest birth rate of the Arab states, 27 per thousand, is recorded, while in Qatar it amounts to 30 per thousand, 36 per thousand in Kuwait and 38 per thousand in Egypt.

On the other hand, the aggregate death rate has recorded a visible decline in all the Arab states, amounting in most of them to approximately 10 per thousand, while not exceeding 4 per thousand in the Emirates, 2.5 per thousand in Kuwait and Bahrain, and 4.6 per thousand in Qatar.

The population of the Arab homeland is distinguished by a population distribution in which the lower age groups predominate, with approximately 45 percent of the population below 14 years of age. This is a very high percentage in comparison with its equivalent worldwide, which averages approximately 24 percent, and which does not exceed 22 percent in the advanced countries and 38 percent in the developing countries.

This high percentage underlines the great burdens resulting from maintaining and educating this group of the population.

The age group that is above 65 years of age on the other hand clearly comprises a low percentage in the Arab homeland, reaching 2.9 percent as opposed to 11 percent in the advanced countries and 4 percent in the developing countries.

As for the work force, in spite of the high percentage of the population in the age group between 15 and 65 years, which represents more than 50 percent of the total population, the percentage of those working among them is low because the majority of the women are kept away from work outside the home on the one hand, and children who are less than 15 years of age and who sometimes can be as young as 5 years old are being employed, on the other.

According to 1985 estimates, the number of individuals of working age in the Arab homeland is approximately 103 million, most of them living in the group of Arab states with high populations, which in general are characterized by the fact that part of their work force is employed abroad, in Arab or foreign countries.

Egypt comes at the head of these countries inasmuch as its number of working age inhabitants amounts to approximately 23 million, while Morocco has 12 million; Algeria and the Sudan, 11 million each; Tunis, 4 million; and North Yemen, 2.3 million.

12775
CSO: 4404/113

COLLOQUIUM ON SATELLITE NETWORK HELD IN TUNISIA

Tunis DIALOGUE in French 11 Nov 85 pp 20-21

> [Text] Under the distinguished patronage of Tunisian Prime Minister Mohamed Mzali and French Prime Minister Laurent Fabius an International Colloquium on Communications, Imaging Transmission, and Direct Broadcast Satellites, was opened on 10 November by Tunisian Minister of Communications Brahim Khouaja. It was the scene of a broad debate on future developments in this area, particularly in terms of the use of satellite networks. Among those participating in the meeting were Mustapha Masmoudi, president of the Tunisian Communcations Association, and Louis Perrein, president of the Mediterranean Communications Institute.

An important question was considered at the very beginning of the meeting: the Arab satellite, "ARABSAT."

During 1985, two Arab satellites were launched on 7 February and 17 June. These launches marked the entry into operation of the ARABSAT system, a new satellite communications network.

This system has the mission of providing various communications services (telephone, television, video conferences, etc) to the 22 countries of the Arab League, an area of great importance.

ARABSAT 1C, a third satellite, is being kept in reserve on the ground.

This space activity also includes a ground satellite control network equipped with substantial resources and divided between Saudi Arabia and Tunisia.

The ground segment of the system will eventually include 22 large communcations stations forming the basis for fixed service and for many stations of lesser size (at present about 50 percent of the large stations have been provided for). This sector will also be equipped with complex equipment for traffic management.

The system will have substantial capacity. The use of tested technologies for the useful payloads of the satellites will make it possible for each of them to be capable simultaneously of handling 8,000 telephone circuits, seven TV programs, one community-wide TV program, communications services with stations on the C Band with antennas of 11 to 16 meters in diameter, and the distribution of TV programs to a part of the community (C Band) and to the whole community (S Band).

Another characteristic of the system is its reliability. (There are two satellites in operation, having the capability of supporting networks on board, in view of the size of the ground control equipment.)

In conclusion, this system has characteristics giving it broad capabilities in the communications area which should make possible the development of new services and applications for the welfare and progress of the countries using it.

What Technology?

Are the industrialized countries wise enough to prepare a strategy for technology transfer? Are the powerful countries so foolish as to continue to look to their own power in a world whose functioning has been hampered by competing national interests?

The founders of the Mediterranean Communications Institute do not wish merely to think about the stakes involved in the media revolution. They wish to propose solutions so that the rich cultural inheritance of the Mediterranean will not be submerged by the dead hand of uniformity.

The peoples of the Mediterranean, who have given the world almost all of its great philosophies and almost all of the great religions, who have created the great currents of modern thought, have something to contribute to the chorus of voices in the world.

Communications satellites cannot be allowed to remain passive, because they are increasingly the vehicules for the dominant culture. Passivity is the beginning of cultural and therefore of scientific and technological suffocation.

Certainly, the obstacles are numerous. On the northern and southern shores of the Mediterranean we can see the cumulative delays resulting from years of colonialism and fratricidal struggle. The object is to overcome these obstacles and not merely to bypass them.

Already voices are being heard which are calling not only for transfers of technologies but also for a general settlement of the debts owed by the developing countries.

Avoiding Any Form of Cultural Colonization

Therefore, the Arab countries are more concerned than other countries by the implications of direct satellite broadcasting of programs which could be incompatible with their moral and cultural values.

In this context Mohamed Mzali, Tunisian prime minister and minister of the interior, emphasized the dangers flowing from the monopolization of these satellites by certain countries and the imposition of their ideologies and ways of thinking and behaving on other peoples.

In effect, the shortage of available programs and the economics of production make it possible to foresee the danger of real cultural colonialism or at least the development of basically uniform programs by the countries which have the most equipment.

This is what we are seeing at present, both in Canada as well as in Japan.

This change in values can only be combated effectively by developing other information media which are firmly based on daily life and which are suitable to the environment of each society.

That could involve the sharing of resources by related groups in the defense of their cultural inheritances.

Still speaking in this same context, Lardeux explained the French political decision to counter the invasion of cable and media distribution systems by electronic products disseminated by the U. S. A. and Japan throughout the world.

In concrete and creative terms a specialized center would pose the problems of cultural identity and of the necessary conversion of the television art into an industry in a way which would not kill the specific sensitivities of the "consumers."

In this regard Europe, at the initiative of France, intends to develop an area of "cooperation" with the countries of the Third World, which are also victims of a kind of television imperialism which has been made sterile and falsely neutral by the two giants of the media industry.

Therefore, it will be necessary to join our efforts to find adequate solutions for the problems related to the eventual, anarchistic exploitation of satellite broadcasting, which could have a negative impact on the culture of the countries which receive the programs distributed by the satellites in question.

Bringing the Peoples Together

The scientific progress made in the broadcasting area by satellites should be a factor for bringing the peoples together, said Prime Minister Mzali. It should contribute to the enrichment of universal civilization through the identification of complementary points and the cross fertilization of the different national cultures, because the future of humanity, after all, is unity in diversity.

Finally, in achieving this task of civilization, we expect a great deal from the modern means of communications and particularly from information networks and direct television broadcasting by satellites. For technical reasons these broadcasts inevitably will go beyond national borders.

For the exploitation of these new media in the political, economic, and cultural areas, European and Arab cooperation has become an absolute necessity.

Consequently, it is essential to work to develop new and original solutions and to act in such a way that the appreciable advantages offered by the new technologies are not tarnished by their negative aspects and that the great hopes placed in these systems to regain the ground lost in the development area do not simply evaporate.

5170
CSO: 5500/4605

ANKARA REACTS TO 'PRO-ARMENIAN' ATTITUDES OF U.S. AUTHORITIES

Istanbul MARMARA in Armenian 9 Nov 85 p 1

[Text] The HURRIYET correspondent reports from Los Angeles:

President Reagan has nominated Dickran Tevrizian, a 45-year old Armenian lawyer, as a judge to one of the two federal courts created by Congress for Los Angeles. The nominee for the second court position is Spencer Letz, a 50-year-old lawyer.

The president's appointments will be finalized after they are reviewed and approved by the U.S. Senate. It is reported that before his term of office expires in 1988, President Reagan will appoint 743 new judges for the two federal courts and their regional courts. It is believed that Reagan will select for these positions appointees who will be sympathetic to the views of the Republican Party and who will work for the interests of the party.

Foreign Ministry Comments on Recent Armenian Activities in U.S.

The Foreign Ministry has reacted to two recent Armenian acts related to the "Armenian genocide."

As is known, a while ago it was decided at the instructions of California's Armenian governor, George Deukmejian, to offer courses on the "Armenian genocide" to junior high and high school students beginning with the next academic year. The second Armenian act was to place a memorial commemorating the "Armenian genocide" on New York's Union Square.

Foreign Ministry spokesman Yavuz Eralp made the following statement on this issue:

"During the formative years of the United States, most of the immigrants went there to escape various forms of oppression in their places of birth and to start new lives. Now, when one forgets that he is the governor of all Californians and tries to teach youngsters courses of hostility, hatred and revenge in connection with nonexistent events, one is disregarding the fundamental principles of the formation of that country and abusing an important and responsible office that has been entrusted to him."

9588
CSO: 4605/18

ALGERIA

LIBYANS ACCUSED OF INCITING BERBER SEPARATISM

London AL-DUSTUR in Arabic 25 Nov 85 p 17-19

[Article by Mustafa al-'Alawi: "The True Dimensions of the Tizi Ouzou Incidents: Who Incites the Berbers to Secede?]

> [Text] The call for Berber Secession from Algeria is not encouraged by France alone but is supported with arms and funds from Arab quarters. What are these quarters? Why do they disregard [the fact that] that Berbers have Arab origins? Will this suspect movement be confined to Algerian soil or will it extend to other lands in the Arab Maghreb? The following article attempts answers to these questions and points out some characteristics of the problem in light of incidents in Tizi Ouzou in Algeria.

"Racial movements and incidents in the Tizi Ouzou region of Algeria are merely manifestations of Franco-American Western imperialism that manipulates minorities with secessionist ambitions."

That is Libyan Col Mu'ammar al-Qadhdhafi's judgement of the Tizi Ouzou incidents as published by the newspaper AL-ZAHF AL-AKHDAR [The Green March] quoting from an address at the festivities in a camp in the town of Jadu.

That pronouncement, however, was made by Col al-Qadhdhafi 5 years ago, on 14 July 1980 to be exact.

How, then, can the Libyan president comment 5 years earlier on incidents that happened during the final days of October of 1985?

It is neither a secret nor a miracle since, in fact, the Tizi Ouzou incidents began in Algeria in April of 1980.

This is the perspective from which one should view these bloody clashes as Algerian army troops and gendarmerie armed rebels. Yet this caused no rejoicing in any of the Arab Maghreb countries despite such hostilities as exist between Algeria and Morocco or Libya and Algeria.

The French press dealing with events in the region does not customarily take down from its "shelves of expressions" some of the sentences which LE MONDE used to comment on the Tizi Ouzou incidents. LE MONDE used such incidents in Algeria such as the students electing "coordinating committees" and police cars patrolling lanes where all shops were closed!!

The French media such as Agence France Presse for instance, reported that the recent incidents were more serious than those of 1980.

Unable to surround the so-called "maquis" in the vicinity of Algiers, according to LE MONDE, Algerian forces had to task the "wali" of the region with conducting direct negotiations with the rebels and with releasing jailed students in order to restore peace and security. Still, the students rejected a solution by the "Independent Association", a new formation in the lexicon of the Algerian state. This association called for "recognition of the Berber language as an official language in addition to Arabic." This is the crux of the matter.

The incidents of October of 1985, the attack on Soumaa barracks three months ago, and new talk--official in Algeria--on armed confrontations with the rebels who seized weapons from the Soumaa barracks--these are considered incidents with roots that go back to 1980 if not before.

Despite the fact that at the time Col al-Qadhdhafi not incorrectly denounced those incidents, as the design of imperialism, nevertheless, he did not deny reports in the 12 September 1979 issue of the Paris magazine JEUNE AFRIQUE that "a Berber secessionist movement was being formed in Libya and that the Libyan regime charged a Berber from the Western Atlas with the supervision of that organization."

Also in 1979, the so-called "Berber Liberation Front" was formed in Paris. An Arabic magazine reported at that time that the constituent assembly of that front was attended by the ambassador of an Arab country. The front had stated then that it would carry out its activities on Algerian soil.

Sure enough, incidents occurred in Tizi Ouzou in April, 1980--the same Tizi Ouzou that is linked with the history of the Algerian Revolution and its leaders.

In his book "Memoirs of a Freedom-Fighter", Hocine Ait Ahmed, a leader of the Algerian Berber movement currently living in Paris as a political refugee, says of Tizi Ouzou's role in his revolutionary life: "The most important turning point of my life occurred in Tizi Ouzou to which I fled in January 1943. Everything was [learned] there in the seats of a secondary school.

And here we are in 1985 with incidents emanating from the secondary schools and University of Tizi Ouzou as a response to a popular song by the singer Benjelli who became, or has almost become, the symbol for something that was planned in Paris no doubt by a group of those who had planned the Algerian revolution itself. Hocine Ait Ahmed, Ahmed Harbi, and Abdelkader Rahmani, an old hand in Berber affairs who has, through many years of writing in the French press, been laying the foundation for an announcement of a Berber secession in North Africa.

This would probably be the first and only time that the old Arabic proverb "One person's disaster is someone else's windfall" does not apply to the Algerian-Moroccan conflict. This is one time that one doesn't see the tinder in his brother's eye without noticing the splinter in his own.

This is because the Algerian government alone can appreciate the dimensions of the Tizi Ouzou incidents and the sentences which were issued against the local rebels without reaching those "refugee Agitators" in France who laid the groundwork for a far reaching movement. Indeed these are fated to be among Algeria's problems.

The Algerian government has difficulty in downplaying the size of these incidents and in branding them as "lawlessness and arms thefts" when memory is still fresh with incidents that also took place in Tizi Ouzou in March 1981 on the first anniversary of the April 1980 incidents.

Pamphlets on the "Kabyle Spring" distributed in March of 1981, brought back to memory the 1980 incidents and called for, peacefully and through moral persuasion, recognition of a Berber entity and Amazigh (Berber) culture. Response to the Tizi Ouzou pamphlets came quickly from university students in Algiers who demonstrated and denounced what the REUTER Agency reported about them as "a monopoly of cultural discussion by the Algerian [National] Liberation Front." The Algerie Presse Service (APS) hastened (on 15 March 1981) to hint at "dangers that threaten national unity." Indeed, the Algerian agency asserted that "the Arab Islamic choice was the only alternative for Algeria."

The capital cooled down somewhat after the passing of the "Kabyle Spring" in 1981 only to heat up again in the following July when Tizi Ouzou students decided to create what they called "the Berber summer university."

The Algerian government had to resort to force. It deployed 1,500 gendarmes to occupy the university in Tizi Ouzou. Student circles invited residents of the Tizi Ouzou area to mobilize against the ban by the authorities. Students on campus declared a quasi-rebellion on 4 August.

Meanwhile, Morocco felt the intensity of the Berber-oriented student movement in Algeria. LE MATIN [DU SAHARA], a Moroccan paper close to the government, announced in the issue of 24 July 1985 the creation of an "institute for Berber language research and study, in recognition of the close ties that language has to the history of Morocco."

Incidents in Algeria did not stop with the summer of 1981 but spread to France where editors of LE MONDE were surprised on 5 October 1981 by crowds of Algerian students, members of a group called "Opponents of Algerian Pressure", who demanded that the paper expose what they called "Algerian government arbitrariness in jailing and torturing those who freely express their ideas."

They were received by journalist Paul Balta, a sympathizer of the Algerian government, who told them: "we accept your viewpoint but reject your threats." The students became furious and shouted at the editor: "Aren't the voices of 40 students enough for you to publish our views?"

LE MONDE was in a bind then. President Chadli Bendjedid was meeting at that moment with President Mitterand in Cancun, Mexico. The paper could not risk hurting Fanco-Algerian relations.

But the Algerian Berber movement has found attentive ears in France...Most of the half million Algerians in France have great influence through the politicians and intellectuals who control the information and guidance machinery.

It was only a few months before, in February 1985 to be exact, that the first Berber encyclopedia was published in Paris. It was compiled at the research center (CNRS) in Aix-en-Provence which is concerned with the Arab Maghreb.

The encyclopedia outlined in detail the map of what could be a possible arena for future movements in search of the entity of "this race which is lost in antiquity, which is united by a common denominator, even though it is dispersed--the Berber language--and which is contained in a land which extends from the western Arab Maghreb to the boundaries of the Egyptian Nile and reaches southward towards the Sahara, Niger, and Mali."

That map, then, transcends Algerian borders and Tizi Ouzou is merely its pivot.

Let those who think, think...

Let those who remember, remember.

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IBRAHIM NAFI' COMMENTS ON EGYPTAIR DECISION

Cairo AL-AHRAM in Arabic 2 Dec 85 p 1

[Editorial by Ibrahim Nafi': "What Exactly Do They Want?"]

[Text] It is peculiar indeed to find ourselves as if we are vigorously justify a decision we took to deter evil terrorism, to protect our dignity, reputation, and existence, or to exercise our legitimate right to protect the lives of our citizens against the crimes of mercenaries and psychopaths.

It is peculiar to feel this way? It is peculiar that some would put us in a position of defending ourselves or our decision to protect ourselves against terriorism?

The decision was difficult. It was made after carefully taking into consideration the possible loss of innocent lives of children, women, youths, and men. The decision was also taken in the context of the terrifying, bloody atmosphere imposed by the terrorists inside the hijacked plane, and in light of the crimes of murder and torture perpetrated by the killers every minute and every hour, which threatened to annihilate all the passengers. The United States ambassador in Malta was right when he stated 2 days ago that the Egyptian plane witnessed the worst kind of terrorist. Responsibility for the victims falls solely on the terrorists and on their barbarism and unusual thirst for blood and for the merciless murder of the innocent.

Although most countreis of the world have asserted that fact and supported our decision, we are not asking for anybody's testimonial or justification for our sovereign decisions, especially as the decision was clear in its intent, decisive in its objective, and assertive in its meaning.

Yet, despite all of this, one is perplexed as to what is truly wanted of Egypt.

When Egypt saves more than 550 passengers on the Italian ship in return for handing the hijackers over to the PLO for trial, America becomes angry and considers it permissiveness towards the terrorists to negotiate with them in order to save the lives of the passengers. It then hijacks the Egyptian plane causing us to feel great legitimate anger.

When we make a decision to storm the hijacked Egyptian plane to save whatever innocent lives we can from the hands of heartless murderers without a conscience, some get angry and demand that passengers be left to the vagaries of fate.

What, then, do they want of Egypt? They want to denigrate and always undermine Egyptian decisions to make it look incapable of the right decision, even if that decision touches the inner core of its dignity or protects its citizens from the stupidity and terrorism of those who abuse the patience of the courageous and the tolerance of the older brother.

It is time to bring the curtain down on the play of self-flagellation practiced by some whenever we make a great, decisive, and successful decision. It is time that we learn and teach others that we will be taking similar difficult decisions with great pride and will accept the inevitable loss of life if this would protect Egypt's people and land and deter the terrorism of saboteurs and the crimes of professional assassins.

With evil terrorism there can only be difficult decisions and nothing else.

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EGYPT

ARAB INVESTMENTS INCREASE

London AL-TADAMUN in Arabic 9 Nov 85 p 27

/Article: Rise in the Volume of Arab Investments in Egypt"/

/Text/ The Egyptian economy is passing through a period of radical transformation, from the standpoint that it has received a larger amount of Arab investment than last year, and also from the standpoint that it has embarked on reform efforts in which the Central Bank of Egypt has called for eliminating the several different exchange rates for the Egyptian pound and the pressure of hard currency on its value.

A report by the Egyptian Investments Commission said that Arab investments up to last June amounted to 1.057 billion pounds, or 16 percent of the total of all foreign investments and an increase of 1 percent over its share of these investments last year, which amounted to 998 million pounds. However, this investment expansion is not persuading the Central Bank of Egypt to permit the establishment of new banks. That is in order to limit credit activity, which increases pressures on the rate of inflation. The Central Bank has demanded a unification of the rates of exchange on the Egyptian pound vis-a-vis the free currencies and in all foreign transactions, in order to ameliorate the weakness in the balance of payments.

Among the other demands of the Central Bank in the context of its directives for economic reform are expanding direct loans from the government for housing and land improvement and food security projects; developing the tax system in order to simplify transactions and put limits on the wealthy; and raising customs duties on luxuries and acquiring them with the Egyptian pound. Among other directives were limiting the consumption of electricity by narrowing the gap between local and world prices, guiding government spending, especially in the realm of wages, redistributing non-productive monies, and limiting assistance only to those who deserve it among the poor classes and only within the scope of necessary commodities.

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BACKGROUND DETAILS ON NEW AUSTERITY BUDGET

London AL-SHARQ AL-AWSAT in Arabic 18 Nov 85 p 5

[Article: "Exclusive Report on New Standards for Egyptian Budget for Next Year; Spending Freeze and Reduced Reliance on Foreign Aid and Loans"]

[Text] Responsible Egyptian official sources told AL-SHARQ AL-AWSAT that the Egyptian government is in the process of preparing a new austerity budget stemming from the principle of self-reliance. In preparing this budget, the Egyptian government is relying on specific standards, including a squeeze on spending, salaries, awards, and foreign representation offices, in order to bring inflation under control. It considered the 1985 budget figures as the allowable ceiling for the new budget, which means lower subsidies, assistance, bonuses, and monetary and in-kind benefits and the cancellation of personal fiscal grades.

The new state budget in Egypt is aimed at putting a squeeze on expenditures, disallowing any increase over the current year while seeking ways to increase revenues.

AL-SHARQ AL-AWSAT has learned that the Egyptian minister of finance, Dr Salah Hamid, asked the various ministries and government agencies to comply with the priorities and requirements of the plan's objectives in their projects for the new 1986-87 budget, asking that they reconcile actual Egyptian needs, estimates, and revenues.

The minister of finance stressed the necessity of reducing the budget deficit in order to check inflation and put a stop to random price hikes through the adoption of firm policies aimed at rooting out appropriations which represent any kind of lavish or conspicuous spending.

Reduction of Stock Instead of Importation

Dr Salah Hamid spoke of the necessity of utilizing the unused stock to reduce public spending and achieve the maximum benefit from available capabilities, resources, and natural and human resources in a way that raises production levels, ensures the rationalization of expenditures, and leads to higher gross national product growth rates.

The finance minister also asked the various ministries to link actual costs and fees charged for services so as not to put additional burdens on the people and to link investments and returns. He also asked that standards be drawn up for going after the tax evaders to enable the state to reap the fruits of its investments in economic and social projects, public-sector ones particularly.

Dr Salah Salim supplied all parties with the new standards for preparing the new 1986-87 state budget for the last year of the 5-year plan, asking them to focus on vital projects and abide by the appropriation ceilings prescribed in the general budget so as not to add new burdens to the state treasury.

The minister of finance asked the various technocrats to be realistic in preparing budget estimates for expenditures and revenues and to avoid waste and make the best use of set appropriations in order to realize the specific objectives for which budgets are set.

The minister warned all parties of his ministry's inability to meet any additional demands during the next fiscal year due to its commitment to maintain a general balance and avoid a higher budget deficit.

The minister added that toward the end of the fiscal year, agencies make a point of spending their leftover funds without aim or purpose. He asked them to stop this practice and save unused appropriations for the current year instead of spending them unnecessarily.

He set the end of November as the deadline for the various parties to submit to the Finance Ministry their budget plans, asking that such plans be consistent with the general plan and budget standards and with the best utilization of production and operational requirements and the setting of appropriate rates for tying salaries to production, fixing the cost of each commodity or service, and tying it to profits on the basis of economic research and studies and to the actual results of the previous budget.

The finance minister decided to adhere to a previous decision of the prime minister not to use messengers and office boys in government offices and the public-sector organizations and not to earmark any funds for increases in this regard and to allow higher appropriations for their salaries only if they are transferred to technical or vocational positions for which they are trained. Agencies are in the process of preparing budgets for those employees who wish to return to their governorates from Cairo and Alexandria and of cancelling personal fiscal grades.

Reexamination of Awards and Salaries

The minister of finance decided to limit salary increases to periodic and incentive raises and mandatory grades and to use excess labor on new projects. As for comprehensive awards, there is no room for an increase in this field and, indeed, they must be reduced. The minister decided to consider the 1985 appropriations for salaries and awards as the ceiling for the 1986-87 budget.

The award system must be changed to apply to producers only and not to all employees. The finance minister also decided to turn down all requests for higher appropriations earmarked for in-kind benefits for some employees, asking the various ministries to reduce gradually such benefits.

The minister of finance instructed the various ministries to cut and rationalize current spending and avoid conspicuous consumption and luxuries while studying alternate ways to do the work and choosing the best cost-effective methods without sacrificing standards. He also directed that expenditures earmarked for things that are no longer valid of feasible be rooted out.

Lower Electric Power Consumption

The minister of finance instructed various government agencies to cut down on their electric power consumption by 25 percent in government offices and administrative units as well as on promotional and representational expenditures and funds for motor vehicle fuel. He also directed that the government will not bear conference expenses, save for those of basic benefit to the state, and that such expenses be covered by returns from such conferences. He also ordered a squeeze on cultural, labor, and tourist office expenditures and trade representation costs to alleviate some of the pressures such spending puts on our foreign currency resources.

24-Year Loans

The finance minister set down the terms of payment of foreign loans the government reloans to various parties whereby the said parties must start payment within 3 years in 24 yearly installments for the agricultural and housing sectors and 12 yearly installments for the other sectors. Payments are to be calculated on the basis of foreign currency exchange rates.

Furthermore, the minister decided not to submit to the ministry higher appropriations save for those related to increased activity or operational projects and instructed the public sector to view cost rationalization as a basic and necessary goal, particularly those elements which are not directly tied to production. He directed that efforts be made to reduce waste, raise employee efficiency, enforce the policy of tying salaries to production, eliminate excessive waste, improve products, make use of unused stock, and maintain minimum strategic stocks.

He said that public-sector units must work to increase the government's rate of return from its investments in the public sector and to improve foreign transactions by increasing exports, rationalizing imports of production requirements, expanding the use of local resources and local products, opening new local and foreign markets, and developing products in keeping with international developments and Egyptian consumer tastes.

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OFFICIALS DISCUSS NEW 'GREAT AWAKENING' PROGRAM

London AL-SHARQ AL-AWSAT in Arabic 25 Nov 85 p 8

[Article: "Working Paper To Realize 'Great Awakening' Motto in Egypt; Universities and Governorates Invade Deserts and Banks Upgrade Business Practices"]

[Text] The "great awakening," the motto coined by President Husni Mubarak, is the talk of the town in Egypt. The awakening includes the political, economic, and social levels. All ministries and agencies are trying to answer several questions about how to invade the desert, upgrade banking and financial procedures, and reduce subsidies and control prices. Universities and governorates have a significant role to play in invading the desert to set up projects there. Over 5 billion Egyptian pounds have been spent in Egypt on narcotics paraphernalia, an amount three times greater than the funds directed for goods and service subsidies.

The ruling National Party in Egypt has prepared a working paper for realizing the "great awakening." What do officials have to say, and what are its main features?

Dr Yusuf Wali, secretary general of the ruling National Party and minister of agriculture and food security, said: "The party program includes the utilization of youth capabilities in agricultural and industrial projects to reinforce productive family projects and the national campaign to pay Egypt's debts, to reduce the burden of subsidies, and to promote self-reliance in consumption and exports."

He added: "The paper I am preparing includes a suggestion to adopt a work program to be carried out by the party's youth in all the various governorates through higher production, which in turn curbs higher prices.

"The paper provides for the prompt transfer of agricultural land ownership to young people in their governorates and for the establishment of mobile agricultural-product sales outlets to eliminate the middleman as well as other projects in cooperation with agricultural cooperatives and development banks in the governorates."

Engr William Nijib Sifin, minister of state for emigration and the affairs of Egyptians abroad, said that the ministry has prepared a program calling for the recruitment of all Egyptians inside and outside the country for implementing development projects, be it through personal effort or money. The program gives Egyptians complete freedom to invest their money in economically feasible projects away from currency brokers and fictitious investments and the right to retransfer their money abroad in foreign currency.

He added that a project has been drawn up calling for the use of Egyptian expatriate advisors in conjunction with the Scientific Research Academy on projects which require foreign scientific expertise, instead of seeking the help of foreign advisors so long as experienced Egyptians can be found for such projects. This principle will be universally applied in all ministries, agencies, and organizations so that Egyptians abroad may contribute to Egypt's development through their expertise, for they are more aware of the special circumstances of Egyptian society.

Prime Minister Dr 'Ali Lutfi confirmed the existence of a plan to setup a packaging project with a 30-ton-per-day capacity to help eliminate waste at an annual rate of 15 to 20 percent, in addition to using fava beans, lentils, and vegetable and fruit wastes in fodder production with a 30-ton-per-day-capacity and making use of legume-packaging scraps in producing garbage bags.

He added that neutral working committees to be formed in companies and organizations will conduct a comprehensive reexamination of existing conditions through firsthand field experience in order to draw up a list of problems, to recommend ways for dealing with losing enterprises which have not achieved their objectives, and to outline proposals that will guarantee success for other businesses. Economic advisors say that the Egyptian people can rally around the Egyptian president's proposed program if they are made aware that all government agencies are taking tangible measures to achieve the main guidelines contained in this program. Hence, Mubarak's call for positive mass and party participation in self-development based on intensified mass efforts will gain maximum importance if its conditions are fulfilled.

He added that lifting restrictions on people's movements can help the masses to embark on economic development.

Residential Area in Gizah

'Abd-al-Ra'uf Abu Humaylah, chairman of the local council for Gizah Governorate, said that a self-contained residential area will be constructed along the Cairo-Alexandria Desert Road between Km 28.5 and Km 32.5 with a width of 4 Km as an extension of the city of Gizah until the year 2000.

The governorate's plan, within the framework of the "great awakening," includes as well the allocation of the Imbabah Airport site for food security projects, parks, and recreation areas. Some of the housing funds will be used to purchase land for constructing low-rent housing.

The council chairman added that the ministerial decree pertaining to housing costs will be amended to conform to actual costs in view of the higher costs of construction materials and higher land values.

Furthermore, 10 million pounds will be appropriated to allow the governorate to complete the construction of 6,765 housing units; to establish a special agency for the water, sewage and electric power utilities under the authority of Gizah Governorate; and to draw up a special budget to start work on the utilities, side by side with the construction of the housing project.

The General Architectural Planning Agency and the Ministry of Housing, in cooperation with the city, will undertake the planning of areas not included in Gizah City's plans and will reinforce engineering departments with enough engineers because the city of Gizah extends north to al-Warraq and south to Abu al-Nimr and has a population of 1.5 million and about 300,000 housing units, but the number of road construction engineers is no more than 20.

To make sure that illegal construction work is stopped, a special police force and a special court will be created to look into violations and disputes in order to expedite violation cases so as to put an end to the phenomena of violations and infractions.

One Ministry of Housing company will be designated to carry out demolition work in accordance with already enacted decrees.

Pushing the Egyptian Mind

Dr Muhammad Anwar al-Hawari, UN counselor, first undersecretary of planning, and president of the price, consumption, and income sector, said: "The term 'great awakening' carries a lot of political, economic, and social implications the Egyptian people are expected to uphold individually and collectively, as well as legislative, executive, and security powers, in each field and bailiwick."

He believes that the "great awakening" has begun pushing the Egyptian mind at all levels to search for a self-sufficiency policy. Groups have met and have held seminars and the mass media have published articles about self-sufficiency and the means to achieve it.

Dr al-Hawari emphasized that the Egyptian "great awakening" deals in form and substance with issues at the political, economic, and social levels, even though each of these levels does not operate in isolation from the others. For example, economic capabilities can take part in political decisions and vice versa, for political capabilities can draw on the economic capabilities to work diligently, and the same thing goes for social capabilities.

The first undersecretary for planning added that his program for realizing the Egyptian "great awakening" through the current 5-year plan includes the subsidies issue which has been the center of attention for many years.

Existing Subsidies

He believes that all are aware that subsidies are among the key issues which must be eliminated forever, but how? Some people advocate the end of subsidies while others call for maintaining some of them. We went to draw broad lines for this problem and its remedies, for subsidies are a temporary remedy until productive capabilities and productive efficiency reach a level of increased supply, thus invalidating the subsidy system. We cannot remove the effects of subsidies. however, unless we view it not as aid but as a temporary social prop because the Egyptian family has actually switched from dependence on one source of income to several sources, under one roof in many cases. It enjoys the benefits of relatively lower housing costs and a great reduction in educational, health, and transportation expenses. Indeed, the current 5-year plan has assumed heavy burdens to create a massive infrastructure without the participation of multiple-income families.

He added: "All this notwithstanding, the subsidy system is still in effect while the time has come for us to tie subsidies to income levels. The awakening calls for taking away subsidies from such families who live under one roof and have more than one source of income, especially if these sources were realized in the past open-door policy period.

Narcotics Triple the Subsidies

He pointed out that if subsidies are maintained at the present level, they will place a double burden on the financing of the next 5-year plan. "Suffice it that spending on narcotics. beginning with tobacco and cigarettes, tea, coffee, and alcoholic drinks all the way to the most dangerous types of drugs and narcotics, has jumped to between 5 and 7 billion pounds at all levels."

Dr Muhammad Anwar al-Hawari said that spending on narcotics is three times greater than the amounts spent on subsidies. Moreover, the number of private vehicles has grown to a point where some have begun thinking of dividing Cairo into more sections. This situation, undoubtedly, is brought on by exorbitant spending on private means of transportation which consumes one-third of the total amount of gasoline in Egypt. Add to that large spending increases for food and drink, nonessential increase of over 500 million pounds.

He added that split efforts in the realm of production and services have jacked up production costs to an uneconomical level, particularly in the public sector.

Dr al-Hawari attributed this state of affairs to administrative mistakes, beginning with preliminary project studies, improper investment presentations, the construction and production stages, and the final settlement and storage phase. All these steps are beset with administrative tremors which impede projects for a certain period because administrative ineptitude is reflected at the higher levels.

Three Principles

The working paper the Ministry of Planning drew up as the ideal remedy for such a situation and for the realization of the great Egyptian awakening calls for three fundamental principles, which include:

--Cooperation: Public- and private-sector projects involved in identical work will cooperate in a great cooperative awakening, beginning with the financing phase and ending with the marketing phase. This can only be achieved through joint efforts by public- and private-sector officials to solve problems around one table.

--Coordination: Includes the acquisition of raw materials, job training, and coordination of production levels and of marketing operations, particularly those related to export, and starts off with agricultural, industrial, trade, and transportation activities.

--Mergers: Whereby badly managed and badly financed identical production units will be merged with financially healthy sister units which allow a higher production level. This is a great awakening in the production field.

--Integration: This is the ideal method to push production toward integrated cycles whereby production unit expenses are brought down to minimum levels and quality is raised to international standards.

The first undersecretary for planning emphasized that a "great awakening" will occur in financing and banking procedures which support and protect cooperation, mergers, and integration.

He believes that banking community officials may be justified in questioning officials about the production process when drawing up suitable means of financing, in view of the interest rates offered to organizations that carry out those policies whereby interest rates for cooperative projects are reduced while mergers and integration projects, unlike cooperation, represent a point of strength.

Dr al-Hawari said that whereas the "great awakening" dealt with the idea of tying production policies to financing policies, it also deals with self-development represented in grassroots participation in project financing, planning, and implementation with a view to raising income, on the one hand, and achieving a better demographic distribution, on the other.

He added that as part of the process of realizing a "great awakening" in this area, benefits, facilities, and investment incentives must be made available so that savings will be directed to suitable fields chosen by the people.

Greater Role for Universities

He emphasized that the best way to offer such benefits will be at the educational-unit level, represented in universities and their colleges and institutes. Universities will dispatch their various colleges to desert areas slated for civic and economic development to set up an integrated machinery for research and planning and for choosing methods they deem appropriate for attracting businessmen to carry out well-studied projects.

He believes that such a method is marked by a new social awakening at the grassroots level and is a guarantee for greater investment activity by the various groups, thus creating greater job opportunities.

He outlined the projects being undertaken by universities in the agricultural, tourist, and small-industry fields in Sinai, the Eastern Desert, and al-Wadi al-Jadid [New Valley Governorate].

He proposed that desert areas be named after governorates, which will be asked to offer their own personnel capabilities for projects their inhabitants can carry out in the desert.

He emphasized that this idea of urging the people to head for the desert is a new awakening which reflects a high degree of social, economic, and financial cooperation which will be applied in the Second 5-year Plan.

He said that the realization of the "great awakening" in the fields of subsidies and cooperation, mergers and integration projects, to be carried out when the Second 5-year Plan is implemented, will lead to a greater supply of goods and services, thus diminishing the effects of inflationary gaps, and to lower prices.

Egyptian opposition leader Mumtaz Nassar said the awakening could not be realized unless its ways and means were made available. Such means can be made available only if the government instituted true austerity and government units set an example by reducing government spending by 20 percent.

He added that these measures will result in greater production and greater revenues due to confidence in the economy which brings in more Arab and foreign capital and greater tourist revenues.

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EGYPT

OIL RESERVES, CONSUMPTION, RATIONALIZATION DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic 21 Oct 85 pp 34-37

[Article by 'Adil Ibrahim: "Call for Correcting Faulty Concepts Concerning Egypt's Oil"]

[Text] At a time when our consumption of oil derivatives has grown by more than three times in the past 10 years, the announcment by the minister of oil and mineral resources that the Egyptian oil reserve will not last more than 10 years if our oil energy consumption continues to increase by the current rate of 13 percent a year--this announcement requires us to take speedy, positive steps and decisive measures to implement an efficient policy of electric and oil energy rationalization. It also requires us to take an objective pause to correct the faulty concepts concerning Egypt's oil now that oil has become the topic on every tongue and that some go to excess in using the right words in the wrong place. Since oil has become the source of numerous rumors and mistakes that need to be corrected and that require highlighting the facts, our responsibility in this critical phase that is being experienced by Egypt's economy requires correcting all the faulty concepts and rumors that are issued from time to time.

At the outset, Dr Muhammad Mahmud Shawkat, the oil economics expert at the Egyptian Public Petroleum Authority, said: The sudden warning voiced by chemist 'Abd-al-Hadi Qindil, the minister of oil and mineral wealth, that the current oil reserves of 4 billion barrels will last Egypt 10-11 years at the current consumption rates has evoked strong reactions at the official and popular levels because it throws specific obligations and duties on the shoulders of all the sectors that consumed energy and produce it. Chemist 'Abd-al-Hadi Qindil's warning has come at a time when all the previous official statements had been announcing numerous important oil and gas discoveries. Those statements asserted that the new discoveries in the current fields are enough to meet the local oil demand and to fulfill the export obligations for a period of no less than 50 years. Those statements made the ordinary citizen think, rather believe, that Egypt has become one of the major oil producers and exporters, like Saudi Arabia and the other oil-exporting countries. The announcements speaking of numerous important oil finds make the citizen think of the wealth around him while he is suffering from the high costs of living and the drop in his income. They make him feel angry because he has to exert efforts to get a cylinder of butane gas and make him feel angry whenever the government decides to increase the price of benzine. These announcement have made the ordinary citizen and even some intellectuals and writers disbelieve the official statements dealing with the issue of the subsidy allocated by the government for oil derivatives. The statements have developed among the consumers of the various forms of energy, be they electricity or oil derivatives, poor consumption habits leading to unjustifiably extravagant consumption and to wasting our oil resources which people have thought are boundless, whereas they are in fact limited. He who thinks, even wrongly, that he possesses a lot will spend and consume a lot and will live beyond his real means. This is why chemist 'Abd-al-Hadi Qindil's warning has come to correct faulty concepts so that people may realize their responsibilities and duties toward their country and toward future generations in particular, so that the government will shoulder 4 billion pounds in energy subsidies, and so that if these subsidies are abolished it will be possible to utilize the money in other projects that serve the national economy. Qindil declared that consumption is rising rapidly and without any checks or controls. He had warned years ago that as long as energy is sold at such cheap prices, then its consumption will continue to grow. This is dangerous to Egypt's energy. Though the Egyptian oil sector spends a lot of investment money, effort, and time to intensify the oil-prospecting and exploration activities, these enormous investments and efforts are consumed by extravagant and wasteful consumption. Should the current conditions of the local Egyptian oil market persist, Egypt will end up a net importer of oil before the next 10 years and unless a fundamental change occurs on the supply side by making important oil discoveries that add considerably and tangibly to the proven oil reserve, unless, at the same time, a fundamental change is made in the local pattern and in the volume of oil and oil byproduct consumption, and unless major steps are made to turn toward lasting and ever-renewable alternative energy sources.

How can we increase our oil revenues? Dr Muhammad Shawkat suggested the need to study the possibility and means of increasing the revenues of our oil resources in ways other than increasing our crude oil production and exportation rates without increasing our proven reserves, taking into consideration the current conditions of the world oil market and the declining oil prices. These means include the increased processing of oil, especially in the petrochemicals industry, to increase the revenues, exerting efforts to enhance the importance of Egypt's role as a route for transporting oil from the production areas to the consumption areas, intensifying and increasing the training activities in the various fields of oil specialization so as to supply highly skilled and specialized labor in the oil sector in order to make it possible to increase the exportation of this labor and to increase the reliance on this labor as a source of foreign currency remittances, and rationalizing the spending of the foreign oil companies operating in Egypt, since these expenditures are deductible from the production revenues. The Egyptian oil sector has made successful strides in this regard by enhancing the national company's role in the production sphere by raising its capabilities and giving it the priority of prospecting in the areas with a high oil potential, by intensifying the oil and natural gas-prospecting and exploration activities, and by encouraging foreign firms by various means to turn their attention to certain areas, especially in the western desert and in the deeper territorial waters.

How Is Subsidy Rationalization Achieved?

At the same time, some people think that the call for rationalizing energy consumption is merely intended to raise energy prices or to abolish the subsidy shouldered by the state as a result of selling oil derivatives or electricity at the local price. But the issue of rationalizing the oil derivatives subsidy is not as these people imagine, according to Dr Muhammad Shawkat, who said: The subsidy is not a grant from the state to the citizen. Rather, it is a means employed by the state to achieve an economic and social balance by narrowing the differences between the people's classes so as to insure the cohesion necessary in society's structure. We in Egypt have three kinds of subsidies, namely the direct subsidy embodied in the sums allocated to provide the essential goods and services at prices below their importation or production cost, such as butane gas and kerosene; the indirect subsidy which is embodied in the differences between the actual sale price of some goods produced by the public sector and the economic cost of these goods plus a legitimate profit margin; and the concealed subsidy which is embodied in the difference between the international sale price of locally produced goods, such as oil derivatives, and their low local sale price--a difference that results in wiping out big revenues that are supposed to be going into the state treasury.

If the subsidy seeks to redistribute the income by influencing the relative prices of subsidized commodities, then this is an objective that has not been achieved so far because all, both rich people and people with limited income, benefit from the subsidy without any distinction. The subsidy also seeks to achieve stability in the prices of essential goods. This also is something that has not been fully achieved due to poor control and to the absence of discipline, with the oil derivative market perhaps being the sole exception. The subsidy is also intended to insure a minimum standard of living for the classes living on a limited income.

But the Egyptian subsidy system suffers from numerous drawbacks, including the increasing annual subsidy figures and, consequently, the increase in the volume of the public budget's deficit and the worsening gap in the balance of payments, because most of the subsidized goods are imported goods, because the people use the subsidized goods in an extremely wasteful manner, and because the value of these goods and the enormous burdens which the national economy shoulders to supply them are not clear to the people.

The concealed subsidy included in the Egyptian market's prices of the refined oil derivatives constitutes a heavy burden on the state revenues, especially since oil represents one of the most important sources of national income in the battle to confront and reform the economic course. Moreover, oil, which is Egypt's primary source of energy, is a depletable source and any rationalization in its consumption constitutes a desirable addition in the interest of our future generations. Oil is also an international commodity with an international price.

Oil Subsidy Is No Innovation

Dr Muhammad Mahmud Shawkat, the oil economics expert at the Egyptian Public Oil Authority, also said: The principle of subsidizing oil derivatives in the Egyptian market is not an innovation in the Egyptian oil industry's history. This principle was applied for the first time during World War II under circumstances and for reasons different from the circumstances we are experiencing at present. The volume of the local crude oil production was then nearly equal to the consumption volume. But the local crude oil produced then yielded larger quantities of heavy diesel fuel and smaller quantities of benzine. However, both varieties were enough to meet the local demand whereas our plants' production of derivatives, such as kerosene, was much too small to meet local consumption needs. Kerosene was then the mainstay of domestic life. Consequently, it was imported at exhorbitant prices under war conditions. But the state could not permit selling it to the people at its real price and this is when the idea emerged to load the benzine price with the cost difference and to apply the ration card system to the distribution of kerosene so as to rationalize its consumption. Thus, the principle of subsidy was applied soundly without saddling the state revenues with a burden. This sound approach was due to several reasons, including the fact that the Egyptian oil industry was in the hands of foreign firms which managed all phases of the industry from the well to the consumer. Despite this, the government intervened and imposed an organization compatible with society's conditions. Moreover, the state was able to impose a fair distribution of the financial burdens. The capable class shouldered the burden of the price difference in the interest of the poorer classes. However, the capable class was not denied the acquisition of kerosene (the main fuel for cooking) at the reduced price and the oil companies did not shoulder any burden on their revenues. Finally, the state imposed the principle of rationalization on all by applying a strict system of ration coupons in the distribution of kerosens.

All Oil Derivatives Are Subsidized

Dr Muhammad Mahmud Shawkat added: The annual reports of the Egyptian Public Oil Authority show us that all the main oil derivatives are subsidized in a manner unprecedented in the oil industry's history, whether in terms of the fuel used by the capable, by the incapable, by both the public and private sectors' industry and agriculture, or by the public utilities and services. At the same time, the leap in international prices has had almost no effect on the derivatives' prices paid by the Egyptian citizen, not even the prices of the derivatives we are compelled to import to meet consumption needs, such as butane gas and some special oil derivatives whose import costs constitute a heavy burden on our foreign currency revenues.

If the prices of some oil derivatives have moved up a little, then the difference between these prices and the corresponding international prices is still very big. Benzine is sold at 28 percent its international price, considering that it is sold at the actual cost price plus the taxes levied on road users, such as the traffic, asphalting, aid and rescue, repair and maintenance, and bridge and road fees. These fees range from 100-200 percent of the cost price, estimated at 33 piasters per liter. It is well known that the taxes levied on benzine consumption in Britain amount to 120 percent, in Sweden to 102 percent, in West Germany to 60 percent, in Switzerland to 100 percent, and in France to 144 percent. Thus, the average price at which the liter is sold to the consumer in Britain amounts to 90 piasters in Italy, 80 piasters in France, 80 piasters in Britain, 60 piasters in West Germany, 67 piasters in Sweden, and 95 piasters in India. Butane gas is sole to the consumer at a price of 52 pounds per ton whereas the international price is 267 pounds per ton. Consequently, the state shoulders nearly 215 pounds of the price. Thus, the state advances 111 million pounds in butane gas subsidies. Naphtha is sold at 9 pounds per ton whereas the international price is 190 pounds, with the state thus advancing 181 pounds in subsidies per ton of naphtha and with the total subsidy amounting to nearly 12 million pounds. Kerosene is sold at 37.8 pounds per ton whereas the international price is 176 pounds per ton. The state consequently shoulders a subsidy of 138.2 pounds per ton of kerosene, with a total annual subsidy estimated at 275 million pounds.

The state offers this subsidy to both the capable and the incapable without any distinction. It is also well known that the international prices do not include any state taxes imposed on the consumer, which are usually very exorbitant taxes.

Subsidizing Oil for Deserving

If our fundamental duty is not confined to discovering and producing oil and if it requires us to be careful and wise in consuming it and requires us not to squander this scarce resource in a few years and then turn into importing energy from abroad at exorbitant prices and with financial burdens which we cannot withstand, then Dr Husayn 'Abdallah, chairman of the Energy Planning Agency, said: The pricing policy plays the main role in the rationalization programs and measures because all states agree on the need to price energy sources at the levels prevalent in the international markets. Pricing them at lower levels encourages excessive consumption incompatible with the objectives of the desired rationalization. But moving the prices within the framework of the economic and social policy embraced by Egypt cannot be tackled partially. Raising the prices of a commodity or of a certain group of commodities without allowing the adjustment to extend to the other changing elements that govern incomes and prices, including the element of taxes, can disturb the balance between the classes and may saddle the incapable classes with more difficulties and hardship. Therefore, moving the prices, even in cases where the results seem to be guaranteed insofar as the rationalization impact is concerned, must be accompanied with guarantees so as to insure that the subsidy's benefit is confined to those who merit it and so that the use of the subsidy will lead to greater fairness in the distribution of real income.

Dr Husayn 'Abdallah also said that the oil sector has not taken the stance of a spectator insofar as using the prices as a means of rationalization is concerned. The sector, which supplies 85 percent of the energy consumed in Egypt, has begun, in cooperation with the financial and economic sector, to prepare the investment climate to use the economic energy prices, namely the export and import prices, as a basis of the economic feasibility studies and in pricing the products of the new projects. This requires that the real cost of the products be determined and requires that the subsidy be moved from the production phase to the distribution phase so as to make it possible to distinguish between those who merit the subsidy and those who don't.

Dr 'Abdallah asserted that the purpose of consumption rationalization is not to reduce the consumption volume in a haphazard manner and not to affect the popular products consumed by the classes with a limited income in an unplanned manner. Rather, the purpose of rationalization is the more efficient use of energy and the channeling of the derivatives toward the uses with a higher value and of reducing them for other uses.

Dr Husayn 'Abdallah added: We give importance to rationalizing energy by raising technological efficiency. This does not have to wait for the issuance of decisions raising the prices--decisions that may be impeded by various political, economic, and social considerations. It is well known that the public sector, which is subject to a rigid price policy that is not easy to change in the near future, is the main consumer of energy in Egypt. Therefore, improving the efficiency of energy use in the public sector which consumes nearly half the energy used in Egypt may not depend so much on raising the prices as it depends on direct intervention to improve the efficiency of the technology and of the production methods employed by this sector. It is no secret that such direct intervention is not confined to inexpensive means but requires the allocation of large investments. However, they are investments justified by the economic returns embodied in the availability of quantities that can be channeled toward the export markets and whose revenues can be used to repay the installments on these investments.

Dr Husayn 'Abdallah further asserted that the Energy Planning Agency realizes the importance of this difference between economic circumstance and the circumstances prevalent in other countries whose economy depends on the forces of the open free market. This is why the agency did not stand idle while waiting for the energy prices to be raised in order to enhance the efficiency of energy consumption but proceeded to take successful steps on the path of direct intervention. These steps include the agency's organization of several seminars to rationalize energy use in industry, transportation, and electricity, establishing the position of energy director in every public-sector industrial firm and in preparing various training programs to train these directors within the framework of the tasks defined by presidential decree No 112 of 1983 concerning the creation of the Energy Planning Agency. Most of these tasks center on the objective of rationalizing energy consumption and of enhancing the efficiency of energy use in production and consumption.

Priority of Rationalization Goes to Public Sector

If the public sector controls to a large decree the five main industries consumping energy, namely the fertilizer, cement, aluminum, textile, and iron and steel industries, then the prices of these industries' products in the local market are subject to compulsory restrictions or to govenment control.

If some of the textile and cement industries' products are sold at free prices, and while the price of local iron and steel is moving closer to the price of similar imported goods, the price of fertilizers, aluminum, textiles, and cement is set at a level much below the price of similar imported commodities. Confining ourselves to increasing the price of the energy consumed by these industries cannot achieve the desired objective, namely to enhance the efficiency level generally. On the contrary, such a limitation may lead to creating more complex problems. Consequently, the sound solution lies in a comprehensive assessment of the need of some industries to restructure themselves, to introduce modern technologies, and to move the price of their final products. This is in addition to developing some of the old plants to enhance their efficiency, especially in connection with the use of energy.

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EGYPT

PROPOSALS TO REDUCE PRESSURE ON FOREIGN CURRENCY REVENUES

Cairo AL-AHRAM AL-IQTISADI in Arabic 21 Oct 85 pp 70-72

[Article by Nabil Sabbagh: "Money Market: Contradictions Requiring Pause; Imports, Local Production and Consumption Patterns; Foreign Currency Is Not Alternative to Egyptian Pound; Between Encouraging Exports and Opening Door of Imports"]

[Text] We have been living recently with contradictions that make us wonder about the conduct of some officials in light of the decisions that destroy each other or in which one wipes out the gains and positive features of the others.

Encouraging Exports

It is well known that the state with all its agencies tries to encourage agricultural, mineral, and manufactured exports on the basis that exportation is the cure which can repair our trade balance and, consequently, our balance of payments, especially since there is a fixed percentage of strategic and essential imports, including foodstuffs and indispensable production requirements representing 60-70 percent of the volume of our imports, and since the volume of the oil and services we export has also become fixed and tied to external factors beyond our control.

What we can control and can try to increase are our manufactured exports, in addition to the conventional exports, including cotton, rice, and other crops, and our unconventional exports. Such an increase in exports is also tied to the extent of Egypt's ability to produce in the face of foreign competition in the various markets.

There remains before us the door of exports which we must rationalize in order to reduce the trade deficit. But let it be clear that we are not advocating a policy of isolationism or of closing the door of exports. Rather, we are advocating the adoption of objective measures that help the state improve the trade balance because it is unreasonable for us to continue to import twice the value of our exports.

Here emerges the contradiction between the policy needed to be agreed on in order to study the type of imports we require and the volume by which we need to import them so that their rationalization may not lead to a shortage of some commodities, especially commodities needed by other activities in the country--here emerges the contradiction between this policy and the requirement that such imports not be brought in at the expense of local production.

The simplest of these contradictions is reflected in the hardship that the porcelain-producing companies, which produce sanitary fixtures and ceramic and porcelain tiles, have suffered. The state has encouraged the creation of numerous ceramics and porcelain companies to the extent that the number of such companies came to nine investment firms and two public-sector firms.

These companies expanded and diversified their production to the point where it now compares with the best imported varieties. Despite this, these companies faced unequal competition from similar goods imported from abroad --goods with which the importers inundated the markets. This situation continued to exist and the producing companies suffered from it until the beginning of this year when it was decided to confine the imports to whatever is required to meet the local market's remaining needs.

Our local companies have been able to meet all the local market's requirements of sanitary fixtures, including sinks, toilet bowls, combinations, and so forth, but excluding bathtubs which our plants have not yet produced. However, some of the plants are making preparations for such production. The companies produce white and colored porcelain tiles and all kinds of ceramic tiles. Insofar as the importation of this kind of production is concerned, we were supposed to take into consideration the fact that these companies meet the local market needs and that there have been no bottlenecks connected with this production, except for bathtubs which are used in luxury housing and above medium-price housing. Consequently, the demand for bathtubs is limited.

As for porcelain tiles in particular, the quantity produced by the porcelain plants is enough to cover the local demand. The same applies to sanitary fixtures. Under our present circumstances, there is no call to import any similar products, be they porcelain tiles or sanitary fixtures.

The contradiction we want to draw attention to emerges here. The housing sector has found that the specifications required in the bathrooms of medium-price housing demand that walls be covered to the halfway level by white tiles compatible with the white color of the sanitation fixtures. When I asked the porcelain companies about the needed quantity of white porcelain tiles, it became evident that the plants' production of this color of tiles does not fully meet the needs. However, the companies have a large surplus of the same type of tiles, but it is colored. The companies offered to meet the remaining required needs with colored porcelain, saying that the price difference does not exceed 30-40 piasters per meter and that this difference represents the difference in the cost of producing the colored tiles in use. Some plants have requested that they be given some time to convert some colored production lines to the production of white porcelain tiles.

But the officials in charge of the housing sectors do not wish to wait and this is why they have turned their thoughts to opening the door of importation anew and to concluding contracts with the importers directly to meet the needs of medium-price housing, regardless of the availability of white and colored porcelain tiles produced by the local plants.

The importers have not been quiet and have offered prices competitive with the local producers' prices. These offers tempt the officials of the housing sector.

But a pause is needed here. Importing fully processed tiles will cost us foreign currency which the importers will purchase from the free market acquiring currency on their own at the fluctuating and high price which has now reached 172 piasters and which is likely to increase with the increase in the size of the demand in the currency market. Meanwhile, if the housing sector concludes contracts with the local companies, the latter meet all the requirements, even if the situation may require using colored tiles at the outset because the additional cost representing the difference between the cost of white tiles and the cost of colored tiles will be paid in Egyptian currency. Marketing the entire production of the local plants will help these plants cut down their production costs. Instead of importing ready-made porcelain tiles from abroad with free currency, the plants, using less foreign currency, can import the production requirements and operate at their ideal capacity.

In this respect, we also wish to draw attention to the following:

1. The porcelain tiles imported from abroad do not represent the top-of-the-line production of the plants, but rather the second-grade production, and perhaps even the third-grade production of these plants. This production is rejected by the foreign markets and our importers exploit the opportunity to purchase it at low prices and to inundate with it the local markets at high prices, but prices are still competitive with the prices of the local producers.

2. In addition to its being brought into the country at the expense of the local product, the price of such importation will be fully paid in foreign currency whereas it is more behooving to utilize this currency to import the tile production requirements and to demand that the local plants produce the varieties needed by the market.

3. The difference in the price of white tiles and of colored tiles can be compensated by limiting the height of wall tiles to 140 cm instead of 150 or 160 cm.

4. If the housing sector wants truly to reduce the medium-price housing production costs, then it is more appropriate in such cases to eliminate the bidet from bathrooms because it is unhealthy and transmits parasites and microbes.

This problem is not confined to the porcelain and tile industry. Rather, the tragedy extends to the cement industry whose production some people are trying to paralyze in order to create a fabricated crisis in the markets so that imports of cement from abroad may be permitted.

The examples in this respect are numerous and varied. In the furniture sector, we still permit, despite the trade balance deficit, the importation of luxurious furniture from abroad when we have furniture-production plants and workshops equipped with the latest equipment and machinery and producing the most tasteful and high-quality furniture. These plants and workshops find it difficult to import the production requirements, including handles, locks, and some decor requirements for high-quality production, whereas we permit the importation of complete room furniture sets, spending many times the allocations needed for importing the production requirements.

So, isn't there a contradiction between the importation policy and the import rationalization policy?

Dealing in Foreign Currency in Local Markets

One of the surprising contradictions under which we live within the framework of correcting the economic course is the issue of dealing in foreign currency. We are all aware of the degree of vacillation in the Egyptian pound's exchange rate versus the convertible currencies. We are all aware of the extent of the chronic deficit in the trade balance.

We thank God that our industry's production has been diversified and that its quality has been improved. It is axiomatic that the situation requires that these industries have priority in opening credit accounts to import their production requirements. In this respect, these plants have to secure the currency they need from the market or from the banks. Such demand creates an inevitable pressure on the currency market. The state tries as hard as it can to make it easier for the production sector to secure the currency requirements it needs to maintain the production level so that it may be an alternative to imports.

Reserving Goods by Dollar

Such a demand for foreign currency to meet the needed credits in foreign currency is enough in itself to constitute a pressuring factor on the local currency market--a factor leading to raising the foreign currencies' exchange rate. Every increase in the foreign currencies' exchange rate is a burden on the production cost and on the companies' and plants' obligations. After all these pressures, is it reasonable that some officials of the public-sector companies owned by the Ministry of Industry should increase the pressure on the currency market by stating that because the policy of waiting lists for refrigerators, washing machines, and cars produced has been received well by the public, an expansion of the base of reservations with foreign currency instead of the Egyptian pound is planned so that priority may go to those who make reservations with foreign currency. Even a reservation with the Egyptian pound is excluded for such goods!

Gentlemen, these statements are surprising. Have these gentlemen forgotten that our Egyptian pound is the father of civilization and that it does not carry George Washington's image on one of its sides! Don't these gentlemen with the bright ideas know that the resident Egyptian citizen who reserves [puts down his name on a waiting list for] a car, a refrigerator, a washing machine, an air conditioner, or any other commodity in foreign currency will go to the nearest tobacco booth that deals in foreign currency or to any bazaar in Khan al-Khalili to purchase whatever foreign currency he needs and without being concerned with paying 10 or 20 piasters extra per dollar because all he wants is just to reserve the commodity? Don't they know that such a demand for foreign currency, even though the individual demand may be small and may not exceed several hundred or several thousand dollars, is one of the main factors in pushing the price of foreign currency upward? Gentlemen, isn't the pressure exerted by the heroin, cocaine, and hashish traffickers enough in order that we may increase the demand put on the market by citizens wishing to reserve a car, a refrigerator, or a washing machine?

Free Markets and Free Zones

These upturned conditions urge us to raise again the issue of the free markets and free zones.

While raising this issue, let the people with individual interests know that the country's supreme interest is above all considerations and that when we raise the issue of this supreme interest, we raise it free of all personal or subsidiary considerations.

All are aware that the free Port Said City is one of the elements of pressure on the currency market.

The activity of this city could have constituted a good source of foreign currency for the country and not a channel for draining this foreign currency.

Are those defending the preservation of the "farce of the free city" aware that when the dollar rose in September to more than 180 piasters, the reason behind this was the intensive demand by Port Said importers and that the price of a dollar in that city's market reached 190 piasters? All this is not surprising when we learn that there is a waiting list comprising a strange mixture of this city's inhabitants, including professionals, craftsmen, fishermen, employees, and everybody and his brother, waiting to get import permits! These words, gentlemen, are not mine but words coming from the dossier of applications submitted to the Port Said Chamber of Commerce. These people are waiting for their turn to get permits to import luxury goods from the four corners of the world, to sell them, to make a profit, and to become "the rabbits" and (as they say in Port Said), "nobody is better than anybody else and why should so and so get shares and the others not?"

This, gentlemen, is the concept of the free zone in Port Said. Is this what is intended by a free zone and is this the concept of free zone?

We do not wish to victimize anybody. But when the country's interests are exploited to serve the interests of some groups so that they may profit from the people's hardship, then the trust requires us to take a stand and to observe the honesty of the message.

Our concept of a free zone is:

1. That is should aid the local market and not constitute a burden on it, and that it should be a big store for whatever industry, agriculture, and the crafts need, including production requirements, spare parts, machinery, and equipment, so that these operating in the production sectors may resort to it to meet their needs and may pay for what they need in Egyptian pounds if they cannot get what they need from the local market.

2. That is should be a permanent fair for what the various countries produce so that Egyptian producers and importers may resort to it to familiarize themselves with the best goods displayed instead of having to travel abroad, so that they may reduce the travel and stay costs and so that the zone may create competition between the producers and exporters of foreign countries to serve the interest of the Egyptian importer and producer and enable him to get the best goods at the best prices.

3. That it should be a center for packaging and assembling industries geared toward exporting to the area's countries. There is no objection to marketing a part of the production in the local market in return for payment of the established fees, taxes, and customs fees.

4. That it should be a big warehouse for various commodities and used by international firms to store their production and market it in the Middle East area.

This is our concept of a free city or zone. It is not a consumer market for provocative commodities where the city's genuine merchants compete with parasitic inhabitants of the city who have never engaged in commerce in their lives to get import permits and shares so that they may import textiles, curtains, ready-made clothing, electrical appliances, high-class foodstuffs, curios, vases, crystal, and God knows what else, with all this importing taking place at the expense of local production, and not a place where smuggling operations are active and where heart and conscience are bought in order to escape the customs areas.

So that some of Port Said's inhabitants may become rich, we must not encourage them to leave their jobs, professions, and crafts to trade in import shares and permits and we must not allow this area ultimately to drain $300-400 million a year for which we are in the direst need to purchase (al-khamala) goods from Korea and Taiwan and even from the European countries and the United States.

A final word concerning the free zone: Is it reasonable that this city's inhabitants should enjoy customs exemptions for all they consume whereas Egypt's other inhabitants pay full taxes and customs fees? Where is the justice in this? Port Said's population sacrificed during the wars. But all of the Suez Canal area inhabitants also sacrificed. So why this discrimination in treatment? Isn't there justice in equality?

Free Markets Also

The free zones are not just a unique problem constituting one of the elements of pressure on the Egyptian currency market. They have, moreover, been turned into another outlet for the pressure on the currency market.

The idea behind these markets is that instead of having a person returning from abroad carry with him whatever modern foreign goods he needs, he can take advantage of these markets and of the limited customs exemptions on some goods, provided that he pay the price in the foreign currency he has brought with him or he has already remitted to the country. These markets should thus help him get what he needs and, at the same time, should yield profit revenues in foreign currency to the state. Moreover, the purchase of the goods needed for the market should constitute no burden because their cost is paid in the foreign currency which these markets get on their own. Consequently, they should constitute no burden on the local currency market.

But the process actually turns into a burden and into another factor draining our foreign currency revenues when these markets permit both Egyptians and residents in the country to use their right to purchase from these markets and to pay the price in foreign currency while paying the taxes in Egyptian pounds!

The question we ask is: Where do the citizens living inside the country get foreign currency as long as their incomes, wages, and salaries are all supposed to be paid in Egyptian pounds? If a few get their wages in foreign currency, and this is something we oppose, or if some get such currency in remittances from relatives working abroad, then such people constitute a minority. The majority of those frequenting the free markets resort to the local market to purchase foreign currency in order to pay for what they wish to buy from these markets.

In this regard, these markets constitute another channel draining the foreign currency revenues and one of the factors that help raise the foreign currencies' exchange rate. We discussed this issue previously and we are raising it anew now because leaving the situation untackled will intensify the foreign currency crisis and will turn it into an additional burden on the cost of the products of our industries and crafts.

The situation requires that issues be tackled frankly and objectively. We do not wish to harm anybody. But we also do not wish to see the interest of a limited group of citizens achieved at the expense of the people's and country's higher interest.

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EXPATRIATES TO HELP PAY NATIONAL DEBTS

Cairo AL-AHRAM in Arabic 2 Dec 85 p 8

[Article: "Statement by the Association of Expatriate Egyptians: Four Accounts at the National Bank for Expatriate Contributions to Help Pay Country's debts"]

[Text] At its meeting chaired by Mr William Najib, Minister of State for Expatriate Affairs, the provisional council for the Association of Egyptian Expatriates called on all Egyptians overseas to help in the fulfillment of Egypt's debts, each according to his means, not as a contribution but as a patriotic duty. It also announced that four accounts have been opened for that purpose at the main branch of the National Bank. These accounts are Nos 41-87-008 in dollars, 14-90-807 in Egyptian pounds, 41-87-006 for citizens' dollar contributions to alleviate the burden of subsidies and 14-90-806 for contributions in Egyptian pounds.

Egyptian pharmacists working in Kuwait, at a meeting chaired by Mr Muhammad al-Zayyat, counsellor with the Egyptian mission in Kuwait, resolved to contribute a yet-undetermined fixed percentage of their salaries. They also resolved to pay their professional association dues in hard currency as of 1986 and for as long as their contracts run.

After the meeting, the pharmacists also issued a statement in which they called upon authorities in Cairo to deduct, periodically and for a limited period, a fixed amount from all Egyptian expatriates in accordance with their incomes.

The statement also called for issuing voluntary honorary development bonds valued at $150.00, in the form of unredeemable certificates, as a gift from the generation of fathers to the generation of sons and grandsons.

The Engineers Society contributed half a million pounds in addition to 1,245 pounds from the workers of the Engineering Group for Contracting "Grufad", 1,130 pounds from workers of the (Humini) bureau for vegetable and fruit export, 2,000 pounds from Dr Mahmud Samir Tubar and 250 pounds from Muhammad Ahmad 'Abdu.

The Tanta University Council, chaired by university president Dr Ra'fat 'Isa, resolved to contribute a day's salary for each of the three months starting this December. The faculty and employees of al-Minya University also resolved to contribute ten days' pay to be deducted from their salaries this December.

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EGYPT

CUSTOMERS, EMPLOYEES DISCUSS ISLAMIC BANKING

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 pp 54-55

[Text] **It is five years since Egyptians first rushed to put their money in Islamic banks. Today with "Islamic branches" opened by the conventional banks and accusations of sharp practice against the Islamic ones, do people find it difficult to tell them apart?**

In Egypt, as in other states, the Islamic banking experiment has encountered opponents who accuse it of practising the same acts of usury as conventional banks, but under an Islamic cover. Many Muslims, however, have been pleased to view the experiment as a practical embodiment of Islamic economic principles and ideals — so much so that Egyptians flocked to enlist as clients, a matter which worried the conventional banks. The most significant manifestation of this concern was the action taken by a number of Egyptian banks; they opened independent branches which they called "Islamic Dealing Branches", and went out of their way to emphasise that in financial status these branches were fully independent of the main banks.

The emergence of the Islamic banks was strongly connected with the widespread Islamic revival during the 1970s. As this resurgence came under attack and criticism from the enemies of the umma, so too did the Islamic banking experiment which was considered the practical manifestation of one of the aspects of the "Islamic revival phenomenon".

It can also be safely stated that the Islamic banking experiment was accompanied by mistakes, which is nothing strange for an "experiment". Officials of some banks do not deny this, though they attribute the errors to factors that could not be avoided. They say for instance, that there is a lack of efficient personnel qualified for the job, that is, who have a combined knowledge of banking business and Islamic doctrines in this practical field. Accordingly, banking business at those Islamic banks is always in need of a specialised panel of Islamic jurists to act as an overseer. Another example is the international banking system, which adversely affects the Islamic banks; an influence from which they cannot as yet escape.

But what do members of the public think about Islamic banks? At the International Islamic Bank, we interviewed a client, an Egyptian judge working as a counsellor with the Supreme Judiciary.

Why do you prefer to have your dealings with the International Islamic Bank?

The International Islamic Bank, and the Islamic banks in general, conduct their activities on Islamic bases and systems, such as speculation and profit-and-loss-sharing, to avoid "usury" as a practice forbidden by Islamic law. In my opinion, Islam is a developing religion. What the "Islamic Bank" now does is the best method for investment after diversity in aspects of economic activity.

Do you think that non-Islamic banks perform the same function in their Islamic branches, and perhaps on a larger scale than the Islamic banks?

I think that other non-Islamic banks do not play the Islamic role in full, even though they have Islamic branches. I think that these banks may contribute to activities fully alien to Islam, such as the import of liquor, while Islamic banks do not, naturally, participate in such activities. Non-Islamic banks may also transfer their money to foreign countries where their projects are consolidated in repayment for some debts. [Here, the counsellor made specific references to some state-owned banks.] These non-Islamic banks also finance imported meat deals, some of which, as you know, do not conform to the stipulations of Islamic law as to slaughter method and other relevant matters.

If it is your desire to avoid having your money used in a forbidden way — which is the main reason for choosing the Islamic bank — how do you know or verify that the bank does not use your money in a forbidden way?

I went through the bank's statutes when I wanted to open an account with it. Also, I constantly follow up bank publications, which say that investment is made into projects and activities in accordance with Islamic law. Bank budget data can also be checked to find out investment areas, and I can object to any in which I see reason for suspicion. Nothing prevents any client from making this follow-up. Also, nothing bars him from attending the bank's general assembly meeting. In my opinion, responsibility for verification and assurance lies with the investor who has to make the follow-up himself and ask for information, budget data and so on. He has to take the initiative himself.

What type of projects do you prefer the bank to invest in?

There are many projects, such as housing, public hospital and university projects, which are areas for possible bank contribution, as well as the participation of Islamic banks in general.

In you opinion, what are the causes of the campaign against some Islamic banks in particular and the Islamic economic experiment in Egypt in general?

I see more than one reason: firstly, management red-tape at Islamic banks and companies gives rise to a common belief that there is no difference between them and the non-Islamic banks; secondly, the facilities that non-Islamic banks extend, especially in the credit and investment sphere; thirdly, although the Islamic economic experiment, represented in Islamic banks and companies, is still nascent, people are in a hurry to see substantial results; and fourthly, there is a desire, usually hidden, to fight everything connected with Islam. This desire has overt and covert causes. I will say no more in this regard, due to certain sensitivities which you know. It is my opinion, however, that we as Muslims, should contribute to boosting Islamic banks and projects, and if there is any mistake, then we should give each other advice. It is easy to criticise and to pull down, but it is difficult to build. If I had a wish, it would be to establish a general Islamic bank at the level of the whole Islamic world, with branches in all the Arab and Islamic countries. It would finance productive and economic operations. It would contribute to an Islamic upsurge. Should this happen it would, in my judgement, represent a good step on the path to a real revival and a genuine independence.

What is your evaluation of the Islamic banking experiment now?

In actual fact, the experiment is still a new one. The bank is only five years old, or probably younger, so we ought not to pass judgement on the experiment in haste. Judgement needs consideration which should cover a relatively longer period. Generally speaking, however, clients of the Islamic banks in Egypt and clients coming from the Arab states react favourably. I think that as time goes by, the reaction will increase. The experiment is still young. Anyhow, to cut a long story short, I would say that I do not like to jump to conclusions.

A woman employee of an Islamic bank, was interviewed about procedures, measures and problems. With reference to bitter complaints from some clients, especially as regards measures and complications, she said that the only measures some clients faced, particularly borrowers, were some type of guarantee for the bank. She wondered whether the mere act of laying down these measures, or restrictions, gave rise to complaints from clients, and she thought that the reason for this was that many clients came to the Islamic bank, believing that as long as it was "Islamic", they would run into no difficulties or procedures, and that every problem would be solved without effort — a concept that she said was a wrong one under the conditions in which work is done.

Regretting some clients' claims that the bank determined a fixed dividend rate, thereby raising anew the interest problem, she said that clients, or rather most of them, had insufficient knowledge of Islamic banking. She also made the assurance that the "dividend rate" was the rate actually realised and distributed among clients and was not a fixed rate determined beforehand under a bank "promise" on future dividend distribution.

Explaining the most important problems facing Islamic banking, she said that there was the liquidity problem: a high monetary liquidity rate. She explained that this had legal dimensions, and that the economic and investment conditions in Egypt were also not encouraging, under contradictory economic decisions and government instability.

Faced with an accusation made against Islamic banks, including her bank, that they invest in non-productive activities, she pointed out that: firstly, the investment project development role of traditional banks in Egypt was almost non-existent, as they concentrated on projects which achieve only profit and which do not serve large segments of society (such as luxury goods); secondly that her bank had plans for projects of interest to the masses in the spheres of housing and food security, on which they had actually embarked. She added that it had to be remembered that the bank was still in its infancy and needed time to find its feet. She also pointed out that the bank would be starting many projects shortly (on integrated Islamic schools, etc).

Bank client Rifaat Abdel Sattar, an engineer working in Kuwait, explained why he had dealings with the Islamic bank. He has two accounts, investment and current, and added that he had transferred his accounts from the National Bank of Egypt to the Islamic bank after six years with the former.

Explaining why he had chosen the Islamic bank for depositing and investing his money, he said: "Firstly, it is an Islamic bank, and as such dividend is not fixed, a fact which divorces it from the usury system which is forbidden by God. Secondly I am reassured of the Islamic legality of the return and dividend I receive, especially as the bank collects the zakat due on this money and disburses it in accordance with Shariah stipulations. Thirdly, the bank serves society and is of benefit to it through the projects and companies it finances and establishes. One more thing here is that the Islamic bank gives me a chance to put into effect some Islamic virtues and duties in a better way (such as helping the needy and paying zakat)."

Drawing a comparison between Islamic and conventional banks, he said: "Frankly speaking, I was very pleased and satisfied at the beginning, but then it appeared that all (Islamic and non-Islamic banks) were the same."

Dr Atef Kamel, Professor of the Faculty of Engineering at Cairo's Al-Azhar University, has two accounts with the International Islamic Bank, one current and one investment. He is also a businessman. Asked why he had chosen the Islamic Bank, he said that his reasons were related to a belief in Islamic dealings made by Islamic banks in general and not just the bank in question alone, and to the attractive high dividend rate compared with non-Islamic banks. However, he too said that it finally appeared to him that there was no difference between Islamic and other banks. His evidence was that the conventional banks had opened branches which they called "Islamic branches". We then asked:

Do you not believe that the phenomenon of Islamic branches in the ordinary banks is a healthy one, in favour of the Islamic banking experiment in general, even though the conventional banks are trying, through these institutions, to pull the carpet from beneath the feet of the Islamic banks?

I think that in having Islamic branches, the conventional banks are using a trick to deceive people. Nevertheless, I am in a position to tell you again that there is no difference between the Islamic and the other banks. I found this through my dealings with the bank in my capacity as a businessman. Insofar as borrowing for industrial and development projects is concerned, the rate payable to the Islamic bank may be double that payable to other development banks. It is true that the bank does not fix a rate in advance, but it does charge a high rate.

Ahmad Fuad, an employee with the Gulf Bank in Kuwait, also has two accounts with the Faisal Islamic Bank in Cairo, again, one current and one investment. He has other dealings with the International Islamic Bank for Investment and Development and with the El Sherif company. Asked why he had all his dealings with Islamic banks, he said that as long as there was room for Islamic financial activity, he would be contributing to it as a Muslim, though he personally works for a non-Islamic bank.

Do you not see any contradiction in this?

We have actually felt this and sought opinions on it. The committee of fatwa (religious verdicts) of Al-Azhar sent us a fatwa on the admissibility of this.

What types of project do you prefer for your bank deposit investment?

Naturally, I prefer the type of investment deposit which is not tied to particular projects, but I prefer projects that are of benefit to large segments of the population, even if they are made at the expense of dividend! For example, the bank gave a 7.5 per cent dividend last year (less than all the other Egyptian banks). Nonetheless, no one withdrew their deposits or their confidence from the bank.

/8309
CSO: 4500/52

EXPANSION OF ISLAMIC MISSIONARY ACTIVITY PLANNED

Cairo AL-AHRAM in Arabic 7 Dec 85 p 8

[Article by Sa'id Halawi: Islamic Centers Overseas to be Expanded and Supplied with Teachers, Missionaries, and Publications"]

[Text] The Supreme Council for Islamic Affairs has resolved to expand Islamic centers in foreign countries and supply them with teachers, missionaries, and publications. It also resolved to increase local Islamic centers especially where the masses gather and at industrial and work establishments and universities.

The Center's activities and plan for the new year will focus on reviving Islamic heritage, according to Dr al-Ahmadi Abu-al-Nur, minister of Awgaf, who said that 10 books on Islamic heritage will be published within the next few days after approval by the Center's committee for heritage revival.

It was also reported to revise the Encyclopeadia of Islamic Jurisprudence and its interpretation of the tradition of the prophet. The book will be in 50 volumes, of which 18 have already been published.

It was further resolved that the Center, through its various committees, will monitor and respond to all heresies against Islam. Emphasis will be on disseminating Islamic messages and books in various European languages and local dialects. The print run of MINBAR AL-ISLAM magazine in various languages will be increased in order that it be available to Muslims who desire it throughout the world.

In another development, the minister of Awgaf allotted 6,200 pounds as an additional grant to increase the number of Council scholarships for students from the Arab and Islamic worlds in all continents.

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CSO: 4504/117

PROFILE OF HAFIZ SALAMAH

Jerusalem AL-BAYADIR AL-SIYASI in Arabic 26 Oct 85 p 47

/Article: "Egypt's Khomeyni...An Enemy of Israel"/

/Text/ The name, "Egypt's Khomeyni," is being uttered in the Arab news media and the Israeli press as well. It is being said that he was the spiritual father of the secret Egyptian organization known as al-Takfir wa al-Hijra, which is reported to have carried out the assassination of alSadat 4 years ago, and today he leads the Islamic Guidance Organization. Although Shaykh Hafiz Salamah is 60 years of age, he is still active and causing trouble everywhere.

He has been arrested several times, but the Egyptian security authorities would always release him due to the lack of evidence against him. Al-Sadat had him removed from his position as khatib (preacher) and imam (prayer leader) of the Al-Nur Mosque in early 1981, but after al-Sadat, President Husni Mubarak returned him to his position in the context of his policy of internal conciliation, which he implemented a short while after coming to power.

Shaykh Hafiz Salamah has become very prominent, especially in recent months, as the news media are continually speaking of him as an inciter of the Egyptian people and are treating him as one of the greatest agitators against Camp David and peace with Israel.

Shaykh Hafiz Salamah's religious sermons deal with politics and are indistinguishable from demagoguery against Israel and Zionism. He tried to organize an Islamic march within 4 km of the seat of the presidency under the banner of applying shari'ah (religious) law. He was arrested beforehand, however, and was released a month ago.

Hafiz Salamah has a long history, as his political and /Arab/ nationalist positions are not new. He participated in the armed political uprisings that took place in Egypt against the British occupation in the 1940's. After that he took part in the violent demonstrations that filled the streets of Egypt against the British occupation and the monarchy. He was a leader of the Islamic Muhammad's Phalange, which proclaimed itself the enemy of the British in Egypt and the oppressive monarchy.

Shaykh Salamah likewise joined bands of Arab volunteers and led a number of Egyptian volunteers who fought in Palestine before 1948. Later he participated with the Egyptian forces in the conventional war against Israel.

After that, /Salamah/ moved on to join the struggle going on against the British in the canal cities and fought against them. He supported Mustafa Hafiz' groups, which operated against Israel in the Gaza Strip at the beginning of the 1950's.

He continued his work and his religious activities during the years that followed. Since 1981 he has headed the new Islamic Guidance League, after the former organization, which he had formed in the early 1970's, had been inactive for several years. He was arrested amidst the extensive campaign of arrests that the al-Sadat regime launched against the Egyptian opposition. Since his release he has been working as a khatib in the Al-Nur Mosque and serving as editor-in-chief of a magazine called AL-MUKHTAR AL-ISLAMI. The main focus of his efforts and his writing has been agitation against Israel and Zionism and demanding the abrogation of the Camp David agreements.

It has been noted that the main title of the magazine AL-MUKHTAR AL-ISLAMI is considered a provocation against Israel and the United States, and the magazine's motto, "Our struggle against the Jews, from Khaybar to Camp David," is something that clearly sets forth his view of Israel and what he wants to reach and achieve.

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CSO: 4504/107

EGYPT

CHANGE IN UNIVERSITY'S ROLE, OBJECTIVES, STRATEGY URGED

Cairo AL-AHRAM AL-IQTISADI in Arabic 7 Oct 85 pp 12-16

[Article by Dr Ahmad 'Amir, dean of Port Said Business College: "Our Universities Are Not Practically Disarmed"]

[Text] What are the universities awaiting? The universities have been put to the test to prove their ability to challenge, encounter, and confront. Will they pass this difficult test? We hope so.

When a questioner asked Prime Minister Dr 'Ali Lutfi about the nature of his cabinet, the prime minister answered that it is a cabinet of confrontations and encounters. Our universities have been confined to the role of a house of expertise that offers studies and research, providing an analysis of the nature of the problems and a diagnosis of the ailments afflicting the Egyptian society's body socially, economically, culturally, politically, and so forth. Our universities have been content with a role that saddles them with no responsibility for decision-making. This situation has been comfortable for our universities which have performed their role faithfully by offering alternative solutions to the problems facing society. But our universities now hold in their hand the offensive weapons to attack backwardness. Men have now risen from among the universities' ranks and hold the weapons to confront and finally liquidate the chronic problem. University men, represented in the prime minister and his colleagues the ministers, most of whom are university men and professors, hold the executive power, i.e., the power to implement the decision. Decision-making authority and the authority to issue legislation are also held by a university professor, namely the People's Assembly speaker. The consultative authority is headed by a university porfessor, namely the Consultative Council chairman. The ruling party, i.e., the management that pushes, moves and steers political action, is headed by a university professor, namely the party's secretary general. The control agencies watching the implementation of decisions, namely the Central Accounting Agency and the Central Organization and Administration Agency, are each headed by a university professor. Therefore, all the decision-making phases, beginning with diagnosing the problem and studying the likely alternative solutions, the decision-making, the implementation of the decision and the control over this implementation to insure that it proceeds in the desired direction needed to achieve the objective--all of which are important weapons--are in the hands of our universities. This is an existing reality rather a wish. When we say that the modern state is a scientific state, then it is a foregone conclusion that science embodied in the epitome of its presence, namely the universities, should lead the development and growth movement. Will our universities succeed in the battle of facing and confronting the challenge under the canopy of extremely sensitive and difficult circumstances?

This requires that we examine our universities from within and that we begin by reforming university education itself. The modern state's structure is founded on a firm base of educational knowledge and on subjugating this knowledge to serve society, meaning that education's sound position is embodied in leading the movement of society's development, growth, and progress.

This fact gives rise to an essential question regarding the university's position in the battle of building and in the challenge to storm society's problems in a scientific manner that insures the liquidation and the fundamental and final solution of these problems.

We must note from the beginning that the university's third dimension is to enhance society, contribute to solving all its problems, build its culture, and achieve welfare and prosperity for the citizens. This is the economic and social task which has been occupying third place, considering that the university's primary function is to develop human knowledge through scientific research and through training generations of society's scientific and intellectual leaders and that the university's second function is to disseminate education and to train human cadres who are specialized in the various fields of knowledge required by society's activities. But we find that the third function has advanced to hold a prominent position, rather the top position, in the phase of the civilization challenge and of achieving prosperity and a better life for the country and the citizen, since it is no longer acceptable that the university's role in the modern state continue to be as it was in the past, namely an ivory tower concerned with developing knowledge for the sake of knowledge and for the mere discovery of facts. The university has now become a fundamental instrument for developing and enhancing society. It is considered, and rightly so, the vanguard leading the development and progress of all spheres to rationalize the utilization of the available and scarce resources in order to produce a greater yield at a lower cost.

It has become society's duty to supply universities with all the prerequisites of their success so that they may achieve for it the desired development, since we have acknowledged that education, through the university, is what leads society's development. Consequently, it has also become the university's duty to play a direct role in development and to contribute to the forumulation of scientific solutions to the obstacles impeding the movement of society's development.

Since the future of the university, any university, as an educational institution is determined by its ability to perform its primary function, namely serve society, then this makes it incumbent on the university to explore the paths and courses to approach this predetermined objective. This is why the university must be linked to the work and production sites and to the services through open and effective communication channels and why firm and strong bridges must be built between the university and the production sites so as to permit the flow of currents of effective cooperation in both directions.

Such conduct has become one of the age's necessities for achieving the desired development speedily and efficiently because the development efforts cannot attain their desired objectives speedily and efficiently except over these bridges which transmit to the university society's pulse and as fundamental issues without distortion or alteration.

Constant creative work in the age of science and technology requires the consolidation of efforts, the exchange of expertise, and constant interaction between the university and society's production and service sites. This is why the university must be open to the leaders at the service and production sites and, similarly, why these sites must be a broad field for research and studies by faculty members. On the basis of this fact and out of the university's belief in its real commitment to society's problems and to effective and energetic participation in the initiative and in the daring assault on the citizen's and the country's problems with the aim of finding solutions to these problems, the university's neutral viewpoint of society's problems has ended forever to be replaced by the positive viewpoint or by the university's functional role and by the university's full alignment with society's fundamental and urgent issues. As long as we have acknowledged from the outset that knowledge for itself is no longer a demand and that knowledge is primarily for the service of society, then the university will have no life if it isolates itself from society. Such isolation harbors the danger of inactivity, rather the danger of perdition, because the very presence of the university becomes a source evoking questions on the part of the citizens.

The university derives its support, encouragement, resources, and needs from society. It also yields and exports its products to society. The university begins with society, deriving its presence and capabilities from it, and it ends in society because it has to harmonize its activity with what is compatible with society's demands and needs.

Strategy and Objectives

For a time, university education in Egypt moved in a haphazard manner without clean objectives or a clear strategy defining its course and controlling its movement to achieve the ogals set for it or even to choose the most suitable means to achieve these goals. This is perhaps what motivated the July 1952 revolution to turn, less than 2 months after its inception, toward reforming university education and to focus mainly on defining a clear philosophy and strategy embracing university education's objectives. In September 1952, committees were formed to develop university education. The man chairing the committee concerned with university education was former Prime Minister "Ali Mahir Pasha. What was required of this committee was to define the objectives of university education and to determine whether the objectives were to graduate civil servants to work in the government offices and agencies or were merely to graduate methodological researchers, regardless of whether they met or did not meet society's real needs, particularly the needs of the state's administrative apparatus. But the university education reform movement died in the cradle and did not achieve its objectives.

Our university education is still striving to determine its shortcomings and is exploring its path in the absence of a strategy or of guiding objectives. Law No 49 of 1972 came to define in its first article the objectives of university education in vague and ambiguous words, with this article stating:

The universities shall be concerned with whatever pertains to university education and scientific research conducted by their colleges and institutes to serve society and to enhance it civilizationally, seeking in this regard to contribute to the enhancement of thought, the progress of science, and the development of human values; supplying the country with specialists, technicians, and experts in all spheres; and training citizens equipped with the principles of knowledge, with the advanced methods of research, and with noble values so that they may contribute to building and bolstering a socialist society, to making the country's future, and to serving mankind. The universities are thus considered a stronghold of human thought at its highest levels and a source for utilizing and developing society's most important and dearest resource, namely the human resource. The universities shall also devote attention to reviving Arab civilization and the Egyptian people's historical heritage and their deep-rooted traditions. They shall further devote their attention to a high level of religious, moral, and national education and to strengthening their cultural and educational ties with the other universities and with Arab and foreign educational organizations.

The state shall guarantee the independence of the universities in a manner that ties university education to society's needs and production needs.

With these general phrases and in a single article, the strategy and objectives of university education were defined as those of serving society and enhancing it civilizationally and of supplying society with specialists, experts, technicians, and methodological researchers. This article concluded by referring to the ties of university education to society's needs and to production needs.

This is why we suggest that the new law on the organization of the universities devote an entire section in which it defines how society's needs are determined and which is the authority entrusted with this task--a section which then spells out the alternative means and methods so that each university may select what befits its circumstances. This issue should not be left up to the private interpretation of each university out of the belief that the Universities Higher Council is performing its task of linking and coordinating the activity of all universities. This leads us to the issue of the relationship between the university and society.

University and Society

The dimensions of the relationship between the university and society are diminishing to the point of disappearing and of making one wonder: Is there a relationship or a link between society and the university? If it exists, then where is it? That society and the university currently seem to be going their separate ways toward achieving their desired objectives reflects the weakness or absence of these links. Society does not yet know what it wants from the university or what are its needs which the university should meet and the university does not know precisely what society wants from it. But with its scientific perception, the university strives and tries within the limits of its modest resources to meet what seems to be urgent needs or what national problems may confront society.

The university must be viewed as a unique production system whose products, in the form of educational services embodied in a varied mixture of graduates and a varied mixture of research products, flow into society to end up in the production and service centers operating in society. There is no doubt that the vitality of the role of the university production ssytem emanates from the objectives which must be defined clearly and more precisely by the law organizing the universities. The first article of the current universities law is content with referring to two objectives generally: making men products of the educational process, and research porducts aimed at enriching the educational process on the one hand and serving society's production needs on the other. Consequently, the university has two activities: educational production activity and research production activity.

The practical approaches to development must answer the following question: In the coming years, what are the Egyptian society's requirements for university graduates? The university must produce that which satisfies society's quantitative and qualitative needs. Production without specifications or with interpretive specifications from the past years of the life of university education has led to turning the demand for Eqyptian graduates in the Arab labor markets into a demand for foreign graduates.

Determining the specifications, skills, and knowledge needed in the university graduate determines in turn the type of curricula, libraries, laboratories, workshops, and even faculty members needed.

Studying the degree of compatibility between the university graduates and society's needs supplies us with a clear framework of the mutual-effect relationship between the university and society, considering that the university, as an open system, cannot be isolated from its environment. It is an important part of the society in which it lives and from which it derives its resources and capabilities, including students, professors, employees, and financial capabilities. It takes from society and it hurls into this society 75,000 graduates a year with various specializations. These graduates are required to meet society's needs and to be able to perform their task and role in society's development and growth activity.

The university's role in solving development problems is thus bolstered and its role in serving, first, its Egyptian environment and, second, the Arab environment and, finally, the international environment becomes understood.

Here arises an important question of the degree of compatibility of the specifications of the various university graduates with, first, society's varied needs and, second, with its changing and developing needs. The colleges' ceaseless endeavors at development reflect perhaps the extent of the need for a clearer and a more effective level of compatibility. However, it is noticed that these development endeavors are not often founded on and do not emanate from a study of the real situation and the specifications which society needs and requires in the university graduate. The endeavors are usually founded on intrinsic or private interpretation. Consequently, the development may hit the target, may often swerve from it, or may miss it. This is why a more accurate and objective determination must be made of society's needs of university graduates with various specializations. A realistic study must also be conducted on the degree of this graduate's compatibility with society's needs and of the degree of society's satisfaction with the current standard of the university graduate. There must be a constant linkage between the level of the academic curriculum and environment's needs. Here an effective formula must be found for constant interaction and cooperation between the universities and society so that the communication channel may be a two-way channel that is not confined to improving university service with aid and support so that it may become more capable and effective and may produce more in performing its mission. This is because the inevitable consequence of the absence of linkage between the university education policy and the real needs of the various production sites for human resources is the development of an imbalance in the labor structure which is embodied in the supply of and the demand for labor. The current imbalance in the Egyptian labor structure--an imbalance resulting in a shortage of graduates with certain specializations and a surplus of graduates in other specializations--is reflected ultimately in the form of lower work productivity rates at most of the production sites. In other words, one of the most important issues in developing the university education policy is to close the gap between the supply of and the demand for university graduates at present and in the future. We must point out in this regard the issue of rationalizing the use of the research skills embodied in faculty members, of channelling this use toward serving society's issues, led by the development problem, and of generally organizing for the maximum utilization of the resources available in the university production system so as to fill the gap between the desired role, or the form this system should take, and what is currently in existence.

The development of university education must extend from form to content in a manner that meets the new Egyptian society's needs in the short run and in the long run and that enables the graduate to withstand competition in the Arab and international labor markets because the universities affect society through educating and training graduates, through higher studies and research programs, through consultations and high-level ideas and training, and through the services faculty members render for the ministries, government agencies, other state institutions, the public sector, and the private sector. The universities also influence the Arab labor markets and supply them with educational know-how through loans, educational missions, leaves without pay, temporary emigration, books, research, scientific conferences, and so forth.

The view toward university education must change. Spending on this kind of education is not a waste of national resources or a burden on development. It is a national investment aimed at training a manpower that shoulders the development burdens. University education that becomes an instrument of development and not a burden on it. This is why attention must be devoted to developing this education constantly so as to graduate specialists in the various fields in numbers and with a standard that serve the Egyptian, Arab, and international labor markets. There is no doubt that improving the quality of this education will automatically lead to enlarging its yield. The financial yield of university education in some countries is estimated at three times the yield of financial investments in the sphere of commercial activity. This is in addition to the non-economic objectives which university education achieves. Universities play an evident role in forming the human bases of the graduates whose standard must be linked to the labor market needs. Therefore, the planning of university education must not be done in naive, primitive ways that rely on copying and imitating advanced countries in a manner that rarely takes the Egyptian reality into consideration in order that the university education policies, programs, and decisions may serve the development objectives qualitatively and quantitively and in order that university education may become a main axis in the dynamism of society's various sectors.

Because university education has a basic function in training manpower to achieve the development objectives, this function requires, first, that the characteristics of society's work be determined. This determination is tied first to defining the economic sectors and their components and then to determining the type and category of the job needed and of the level and type of university education required.

Second, the universities are entirely responsible for the obstacles to development and for its ailments. Through scientific research, they can provide effective and successful solutions and offer planners, policy-makers, and development decision-makers convincing and objective projections and predictions. For the universities to perform this task effectively, they must be guaranteed financial aid and must be given the freedom to move, act, and look for new sources to finance university education because the universities' current reliance on government financing to meet their expenditures leads to a major crisis in assets and uses. Therefore, one way or another must be found to make the various business organizations contribute to providing the universities with various assets.

Tomorrow's university is the strong support for tomorrow's society. Because the diagnosis of various dimensions and changing elements of the current university education crisis show that the crisis lies fundamentally in the gap between the demand side (society and its needs) and the supply side (the university and the quality of its graduates and research), then this crisis can be overcome only through concerted programs to manage a planned change to achieve the objectives of enhancing the standard of university education. This leads us in turn to the issue of the universities' enrollment policy.

Universities' Enrollment Policy

We cannot determine the universities' enrollment policy unless the strategies and objectives sought by the university education system are defined in advance, since the policies, including the enrollment policy, are nothing but instruments that serve the main objective of university education. When university education's objectives and philosophy are defined clearly, then it becomes possible to search for the proper means.

One of the most complex problems facing university education lies in the large number of students enrolled in the universities each year--a number that has reached 90,000 students a year--regardless of development needs. The distribution of students to the various colleges must be done in accordance with the development plan's requirements. This requires in turn accurate information, data, and statistics in order to make it possible to plan the universities' enrollment policy on a realistic, scientific basis. The essence of rationalizing the universities' enrollment policy lies in adopting a number of measures that help achieve the desired balance between society's needs and the number of students enrolled in universities. This rationalization also requires the periodic reexamination of the number in light of society's changing needs. This problem can be tackled not be reducing the number of students enrolled in universities. Rather, it can be tackled gradually by curtailing enrollment in the general secondary schools and by channelling students toward secondary technical, business, agricultural, and industrial schools. To make this approach acceptable to public opinion, the graduates of technical industrial schools can be initially appointed in grades close to those of university graduates. This requires a reexamination of the policy of pricing certificates.

It is true that the philosophy of enrollment in the universities is tied to the principle of equal opportunity and the principle of democracy of education, which means giving every qualified citizen the opportunity to obtain an education without any discrimination because of sex, religion, or social status or because of any consideration other than the citizen's mental capabilities. But we must point out that the principle of equal opportunity and of democracy of education is not an absolute principle but one that is tied, first, to the student's mental capability and his ability to absorb a university education and tied, in the second place, to society's need for this kind of university education and the capability of each college to absorb a certain number within the limits of its resources.

Therefore, the system of university enrollment currently in force--a system founded on the basis that the student's mere acquisition of the high school certificate entitles him to a place in the university--must be reexamined. The comparison in the current system is made on the basis of the student's grade total. This system does not consider secondary school education the end of a phase but rather a competition that takes place throughout the state for qualification for enrollment in a university, whereas enrollment in a university must take place on the basis of the quantitative and qualitative manpower needs of the development plans and according to the universities' absorption capacity.

This is why additional controls, criteria, and requirements must be established for enrollment in the universities. In addition to obtaining the general secondary education certificate, it must be made conditional that the student acquire as a minimum 65 percent of the general secondary education grade total to apply for enrollment in the university. This does not undermine the principle of equal opportunity or of democracy of education because this requirement is tantamount to a measurement of the mental capability of the student who should enroll in university education. As long as this criterion is applied to all students without exception, it will achieve the principle of equal opportunity. This approach spares the state the burdens and costs of educating the mentally incapable and also, fulfills the principle of equal opportunity. So, either every student obtaining the general secondary education certificate in any year must be allowed to enroll in the university, or enrollment must be made conditional upon obtaining this certificate and then passing an examination in a preparatory curriculum qualifying the student to enroll in the college he desires, provided that this curriculum is studied for a period of 2 years in a higher education institute.

Reexamination of the universities' enrollment policy raises anew the issue of the founding of private universities so that we may avoid this enormous number of students who usually go to colleges abroad for 1 year and then return to enroll in similar colleges, thus hitting the principle of equal opportunity in the heart. Moreover, the founding of private universities is no more than an extension of the system in operation in the elementary, preparatory, and second education phases, not to mention the foreign currencies such universities will save--currencies that are annually siphoned from the foreign currency revenues. Moreover, the founding of such universities would be tantamount to rationalizing free education.

The establishment of control on the number of students enrolled in the universities is tied to the reexamination of the system of affiliation which we embrace and which has lost its wisdom and function, since affiliate students are full-time students. Moreover, a student who exhausts his repeat years in one college must not be enrolled in another college as long as the state has given him an opportunity to obtain a university education for a reasonable period of time. Such students can be channelled toward the middle-level technical institutes, thus helping to make up for the shortage of technicians who undertake the burden of implementation work. The cycle is thus completed, with excelling students sent upward to the colleges and with failing students lacking the mental capability of absorbing university education diverted from the colleges to the institutes.

In any case, the university enrollment policy must be reexamined in a manner that permits it to be confined to the enrollment of a number of students compatible with the number of faculty members, with the material resources available, and with the labor market's need for various specializations.

8494/12828
CSO: 4505/75

FIBER OPTIC TELEPHONE SYSTEM OPERATIONAL

Cairo AL-AHRAM in Arabic 1 Dec 85 p 8

[Article by Ahmad 'Ismat and 'Abil al-Dib: "First Fiber Optic Telephone Network Put Into Service. Ten New Exchanges in al-Giza. Addition of 20,000 Lines to al-Muhandisin"]

[Text] The wire and wireless communications authority has begun operation of the first link in the fiber optic network between the Ramsis and al-Zamalik exchanges to strengthen telephone communications between the two areas for the first time as part of a comprehensive plan to cover Cairo with this network. Ten new exchanges will be opened in al-Jizah in addition to 20,000 lines as part of expansion in al-Muhandisin.

The authority is currently linking all exchanges in the capital to this network to strengthen communications among the various regions and to assure the completion of calls in case of trouble with the traditional connections linking the exchanges.

Fiber optic cables have the advantage of not being affected by temperature or electrical charges present in cities. They also occupy less space which makes future expansion possible by adding new cabling to service subscribers and connect areas.

In another development, Engineer Sulayiman Mutawalli, Minister of Transport and Communications. and the day after tomorrow Dr 'Abd-al-Hamid Hasan, governor of al-Jizah, will inaugurate 10 new centrals in southern al-Jiza and the expansion of centrals in al-Muhandisin by 20,000 lines.

At a meeting yesterday of al-Jiza Local Council chaired by Mr 'Abd-al-R'uf Abu-Humayla, Engineer Muhammad Salim, head of the West Nile telephone sector, said that the feasibility of automatic dialing is now under study for all subscribers in Cairo and al-Jizah, in addition to new exchanges for al-Badrashayn, al-Hawamdiya, al-"Ayyat, al-Saff, al-Akhsas, Atfih, Kafr 'Ammar, Abu-al-Namras, Mazghunah, and al-Shawbak. They would have a capacity of 8,810 subscribers in the first stage, expandable to 15,000 in the second.

He added that a similar project for local units would be carried out in northern al-Jizah. The feasibility study is now underway for the installation of direct lines in villages and for abandoning the old manual system. He said that long-time subscribers in Abu-al-Namras and al-Hawamidiyah will have an option to keep old direct lines or choose new ones connected to those of Greater Cairo.

12945/12828
CSO: 4504/117

EGYPT

BRIEFS

NEW POWER TRANSFORMERS--The minister of electricity, Eng Mahir Abaza, and minister of housing and utilities, Eng 'Abd al-Rahman Labib, inaugurated 4 electric transformers for cement plants in Hulwan, whose purpose is to feed the new lines for production and expansion. The housing minister announced that the local production of cement will be increased during the current fiscal year to 7.8 million tons. The ministry will adopt measures to guarantee the availability of cement in the marketplace through importation from abroad, in order to meet the needs of the construction sector. This would come as the ministry's plan for self sufficiency in this basic material by 1989 continues. According to this plan, production would be increased to around 20 million tons, with the achievement by 1992 of a surplus marked for export. He added that the ministry intends to double production during the coming years, in addition to the new /production/ lines and cement plants, in order to meet domestic needs and for export. Production would reach 40 million tons by the year 2000. The minister of electricity said that his ministry is giving top priority to supplying the new factories and the manufacturing plants with electricity. He said that the cement plants' demand for electricity in the year 2000 will reach 1,600 megawatts, equalling the capacity of two plants like the large Shulbra al-Khaymah station. The cost of the transformers comes to 17 million pounds. /Text/ /Cairo AL-AHRAM in Arabic 23 Oct 85 p 1/ 9614/12276

CSO: 4504/107

THAI, MALAYSIAN, BANGLADESHI REAFFIRM SUPPORT

Bangkok NAEO NA in Thai 1 Dec 85 pp 1, 16

[Unattributed report: "Thailand Supports Palestinians in Their Fight for Rights and Freedoms"]

[Text] Thai and Malaysian prime ministers send letters voicing support for the Palestinians. The Bangladesh Fighters Association has sent 600 men to fight alongside the PLO.

On the occasion of the special conference held by the Committee for the Just and Inalienable Rights of the Palestinian People, on 29 November, Gen Prem Tinsulanon, the prime minister sent a letter expressing sympathy and support for the struggle of the Palestinians.

Gen Prem's letter stated that the Thai government calls on everyone concerned to attach importance to the peace movement in order to find a just and lasting solution to the Palestinian problem. Such a solution must take into account the legal rights and the desires of the various factions concerned. Efforts must be made to maintain and promote an atmosphere of confidence, understanding and sincerity among the various factions.

On 29 November, Mr Mahathir Mohamad, the prime minister of Malaysia, voiced support for the struggle being waged by the Palestinians for justice and for the right to have their own country.

Mr Mahathir's letter stated that the Palestinians have been denied their legal rights. Even though the international community supports the Palestinians, Israel has refused to end its aggression and abandon expansionism.

Prime Minister Mahathir voiced support for the idea of holding an international conference for peace in West Asia. All sides concerned, including the PLO, would be invited to attend this conference.

At the same time, Mr Siaul Gaber Dulu, the president of the Bangladesh Association of Fighters for Palestinian Freedom, talked with reporters in Dacca last Thursday and told them that his association, which is fighting on the side of the PLO, will send approximately 600 Bangladesh volunteers to join the PLO in various Arab countries, including Tunisia, Jordan, Algeria, North Yemen, and the Sudan.

11943
CSO: 4207/102

AFGHANISTAN

ARTICLE DETAILS CONDITIONS AFTER 6 YEARS OF WAR

Paris LE FIGARO MAGAZINE in French 9 Nov 85 pp 94-96, 98, 100, 102, 104

[Article by Robert Lecontre]

[Text] Six years of war, one million dead, 5 million refugees, a forgotten genocide. It was in November 1979 that American satellites spotted a heavy concentration of troops ready to invade Afghanistan. The White House did not react. On 27 December, by means of a gigantic aerial bridge, the USSR was taking control of Kabul. Today, despite the terror, massacres, torture, "scorched earth" tactics, and gas, the Red Army controls only 20 percent of the country. It has already lost 50,000 men, 3,000 tanks and armored cars, and 800 planes and helicopters. This war costs Soviet Russia $5 million per day.

Never Ending Exodus

Five million women, children, and old people, chased away by the war, have had to flee their villages. Three and one-half million have sought refuge in Pakistan, and 1.5 million in Iran. In the east, they are dying of hunger. In the west, Khomeyni forcibly registers all males, whatever their age, and sends them to fight against the Iraqis. The boy in our photo, with his scrap of canvas serving him as a tent, symbolizes all the wretchedness of the world of refugees, everywhere where rivalries and ideologies come into conflict, in Africa, Asia, and in Central America. At night especially, those fleeing proceed in long columns, on foot, and on the backs of mules, with their small bundles. They are still walking by daybreak when they go to ground, exhausted, so as not to be discovered by the invader's helicopters which machine-gun them and bomb them with napalm. Many die along the way. Others are cut to pieces by antipersonnel mines. They traverse hundreds of kilometers in the heart of the mountains with nothing more for food than a few biscuits and tea. Now the trails are covered with snow. The cold kills as well as hunger.

Scorched Earth

The Soviets systematically destroy all villages, irrigation canals, crops, and livestock. They spread terror so that the population will withdraw its support from the resistance. In fact, the result is the very opposite. The more the graves of the martyrs multiply, the more the guerilla war intensifies. But nearly everything has been razed, dwellings, wheat granaries, mosques (15,000), and schools.

In the upper left photo, warrior leader Amin Wardak teaches some kids to read, between two ambushes. Below is a picture of a child who has just died, his body cut to pieces by a mine [photo not included].

Thousands are dying this way, and tens of thousands of others will remain injured for life. On the right, a mudjahid guards the remains of a village with his kalashnikov, taken from the enemy.

The children are playing a bit further off. As soon as the throbbing of the helicopters is heard, the villagers hide in holes. All Afghanistan, apart from the big cities, is dotted with ghost towns of ochre cob, visited mostly by wolves and hyenas. Hundreds of thousands of hectares of fields have been abandoned. Once self-sufficient, today the country is experiencing famine.

God's Underground Fighters

Every valley and every mountain has its tribe. The "underground fighters of the interior" are not in the least bit interested in the 15 or so political resistance parties established in Peshawar in Pakistan.

Here, one has to survive, to fight, without medications, and with very little food and only a little ammunition.

The warriors are all peasants who only come down from the mountains to set deadly ambushes for their enemies. The Pachtuns (40 percent), Tadjiks (25 percent, actually Persians), Turkmenians, Uzbeks, Nuristanis, Kirghiz, and Baluchis are fervent Sunni Muslim believers.

Only the Hazaras, descendants of the Mongol hordes, are Shi'ites. But five times a day they all pray, turning towards Mecca. The 5,000 mullahs are distributed among all the guerilla groups and bear arms like all the rest. Fundamentalists and traditionalists have made a truce in order to fight the "chouravi" (the Russian). Islam is the cement binding this mosaic of peoples. The pugnacity of the 9 million Afghans (those remaining of the 15 million) is particularly worrying to Moscow, because 80 million Soviet Muslims will not remain passive forever.

Kalashnikov Against Kalashnikov

The Afghan underground fighters obtain their weapons mainly from the enemy. They also take those of deserters.

There is even a trade in arms carried on by the Russian soldiers who sell weapons stolen from depots to make money. The morale of the occupiers is not good. The troops have even begun to smoke hashish.

Several soldiers were shot after having pillaged shops and bazaars. Three officers were executed. They were implicated in illicit gold and foreign currency trading. According to expert opinion, the fighting spirit of the expeditionary force is mediocre.

The Russians stay hunkered down in the cities and towns. The resisters, on the other hand, show a great deal of ingenuity in preparing their ambushes and placing their mines. They often dig out the roads below the asphalt. The tanks advance and are immediately literally engulfed. The crew has to get out to free the tank. It is at this very moment that the mujahedin attack. The Russians spray their own wounded with napalm when they cannot evacuate them.

The Afghans "hunt" especially at night, like wolves, hyenas, and snow leopards. Already the mountain tops are being covered with a dazzling white blanket. The cold is intense. The underground fighters of the Middle Ages, in a fairy decor, are giving a lesson in courage to the whole world. They have made their choice: "Better dead than red." While a long shiver passes through the whole country. "Allah akbar, Alilah akbar!" By killing Russians, by dying for their freedom, they go directly to paradise.[1]

At a time when Reagan and Gorbachev are about to meet in Geneva to try to reactivate peaceful coexistence (which, according to Moscow, cannot exist without ideological struggle), an international commission for humanitarian inquiry concerning displaced people has revealed, in a report presented to the Commission on Human Rights, a series of atrocities committed by Soviet troops.

A Clandestine Mission

This commission, made up of Michael Barry, an observer from the International Federation on Human Rights, Dr. Johan Lagerfelt, a Swede, member of Doctors of the World, Pascal Maitre, our photographer, and Yvon Deleau, cameraman, carried out a 4-week secret mission in Afghanistan. On foot and horseback, this small group traversed mainly the Afghan provinces of Paktya, Wardak, Logar, and Ghazni. The commission was able to find out that the majority of the 26 districts visited were totally or partly emptied of their inhabitants. Some areas that were once densely inhabited now have only 40 percent of their population.

The Soviets, therefore, are systematically applying "scorched earth" tactics. Special units under the command of General Osmanov have carried out many massacres during vast combing operations last September and October.

Many civilians were killed. All their personal property, watches, radios, and money, were stolen. The communist troops, moreover, deliberately destroyed all stocks of food and wheat granaries. On 24 September near the village of Qalaye Wazir, Russian soldiers massacred a column of 70 unarmed refugees, made up exclusively of women, children, and old people trying to get to Pakistan.

The commission drew attention particularly to an incident that occurred on 4 October in the village of Beed-Moshk (Ghazni); the Soviets took away two children of 10 and 14 years of age. They demanded from the parents a ransom of 200 Afghanis (Fr 20) to set them free. The family of the oldest boy was not able to pay this amount. Mohammed Nabi was then tortured to death (he was deprived of water, mutilated by kicking and bayonet thrusts, garroted, and finally executed with a burst from a kalashnikov). Other testimony was gathered concerning the massacre of several hundred civilians.

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[1] Cf. "Guerre en Afghanistan" (War in Afghanistan), by Patrice Franceschi. Edited by LA TABLE RONDE.

We are far from believing Kremlin propaganda which labels the resisters bloody barbarians who cut their prisoners to pieces, feudal reactionaries in the pay of foreigners, or highway robbers who terrorize the people. Reflecting this notion, one may recall Boris Ponomarev's justification of the invasion: "In responding to the request of the Afghan government, by giving assistance to this country which is the victim of aggression (what aggression?), the Soviet Union acted in full conformity with the UN charter" (sic).

Finally, the commission was able to observe a sharp drop in agricultural production in the provinces. So-called dry agriculture has stopped altogether. Irrigation agriculture has been reduced by at least 80 percent. As a matter of fact, the Russians burn the crops and make farming impossible by machine-gunning farmers in the fields. Furthermore, they systematically bomb all irrigation canals. Under these conditions, the lack of fodder has forced farmers to kill off most of their livestock, at least what was left after the machine-gunning by air.

Gorbachev ordered his generals to launch a massive offensive in all the areas held by the resistance. In the Wakhan corridor (annexed by the USSR) which leads to China and where the Kirghiz population was deported, the Red Army has transplanted Turkmenian tribes. Two Soviet divisions are concentrated in this sector along the Chinese border. It was from there, among other places, that convoys of weapons on the backs of mules arrived, meant for the Afghan resisters.

On the economic level, Aghanistan today depends on the USSR for more than 80 percent of its imports of machines and equipment as well as cotton for its factories, and oil. Four airports were built or enlarged to accomodate large military transporters and the Termez (USSR)-Kabul pipeline was completed. This provides proof that the invasion of the country was not a police operation to reestablish order among communist allies neighboring the USSR, but rather an attempt at total integration. It is an attempt that could be made quite calmly because the West went no further than making a few fine statements to condemn it.

This far-off war which concerns us all inasmuch as it provides an indication of the intentions of the Soviet Union, particularly to gain access to warm seas, also has the objectives of preparing for taking Iran in hand after the disappearance of Khomeyni and of putting pressure on Pakistan. In the meantime, "the northern invader" is systematically plundering all Afghanistan's mines, particularly its precious stone and uranium mines.

The Guerilla War "Concerns" the West

There is full proof that the West is not interested in this "country of savages," rather that the Afghan guerilla resistance, which will not give up, hinders their efforts to conciliate the Russians. That at least is what the West believes.

Where the Third World is concerned, although it is no longer possible to hide the fact that the USSR is indefatigably pursuing its imperialist offensive, no one has the courage to protest publicly. The Muslim countries, for their part, are timidly supporting their fellow believers. Only Sadat publicly financed the underground fighters. The latter today receive only skimpy aid from the Gulf countries and China. No doubt they are better armed, but above all they lack antiaircraft weapons to put a halt to the deadly attacks of the armored helicopters.

If the offensive by Gorbachev's troops continues, spreading terror among the civilian population, and if the resistance groups run out of the means to resist, then all Afghanistan would be emptied of its inhabitants and the country would become a new Soviet colony which Moscow could repopulate, as the Vietnamese are doing in Cambodia.

While this horrendous tragedy is being played out day after day without any capital expressing its indignation, we hear a communist leader on our state television giving lessons in morality on everything, deciding once for all what is good and what is bad, and making out they are the real democrats.

9824
CSO: 4619/11

AFGHANISTAN

BRIEFS

OPERATIONS AGAINST PEOPLE--On the eve of the seventh anniversary of the occupation of Afghanistan, Soviet and Afghan Government forces have escalated their bombardment and devastation of Afghan cities in order to terrify the Afghan Muslim people. As a result of these atrocious operations in Qandahar, 18 Muslims have been martyred. Meanwhile, 118 joint Soviet-DRA forces were killed or wounded during fierce clashes between the Muslim revolutionaries and the joint forces in the last 2 weeks. Two trucks, seven military vehicles, and four cars belonging to the joint forces also were destroyed. The Voice and Vision Central News Unit has reported a statement made by a Muslim revolutionary in which he said that the invading forces have established several checkpoints on the outskirts of Herat and destroyed and burned 8 percent of the farm land in Herat in order to exert pressure on the Afghan Muslim people and starve them. Another Afghan revolutionary said that extensive operations will be launched against the invading forces in the next few days. He added that a political solution can only be achieved in one way--the unconditional withdrawal of occupation forces from Afghanistan. /Text/ /Tehran International Service in Arabic 0700 GMT 22 Dec 85 GF/ 12228

CSO: 4604/17

AMBASSADOR TO UN TELLS STAND ON KAMPUCHEA

Dhaka THE BANGLADESH TIMES in English 7 Nov 85 p 1

[Text] Bangladesh has called for withdrawal of foreign forces from Kampuchea to enable Kampucheans to exercise their inalienable right to choose freely their own form of political, social and economic systems without any outside interference and intervention an official press release said on Wednesday, reports BSS.

According to the press release Ambassador Kbwaja Wasiuddin Permanent Representative of Bangladesh to the United Nations, reiterated the Bangladesh position in a statement he made at the UN General Assembly debate on the Kampuchea situation on Tuesday.

They expressed grave concern at the prevailing situations in Kampuchea and its serious implications on peace and stability of the surrounding region and underscored the urgency of adopting concrete measures to initaite a process of negotiation for a comprehensive political settlement of the problem.

Rejecting attempts to justify such armed intervention or interference in Kampuchea in clear and categorical terms, Ambassador Wasiudlin said, threat or use of force, armed intervention and interference by one state in the internal affairs of another constituted a direct contravention of the principles of the UN Charter.

Bangladesh believes, he said, that peace and confidence in the region could only be restored if all parties to the conflict adhered to the principles of international law concerning friendly relations and cooperation amongst states, particularly the principle of the right of peoples to choose freely their own forms of political, social and economic systems.

/9274
CSO: 4600/1202

BANGLADESH

DETAILS OF TRADE TALKS WITH PAKISTAN GIVEN

Dhaka THE BANGLADESH TIMES in English 6 Nov 85 pp 1, 8

[Text] Bangladesh and Pakistan have agreed to conclude a special trading arrangement (STA) within the next two months, envisaging an annual turnover of U.S. dollar 40 million each way, reports BSS.

The STA will be conducted through the State Trading Corporations of the two countries in addition to the existing usual and private sector bilateral trade transactions.

An agreed minute to this end was signed here today at the end of the four-day fifth meeting of the Bangladesh-Pakistan Joint Committee on Trade.

Bangladesh Commerce Secretary A. B. M. Ghulam Mostafa and his Pakistani counterpart Mukhtar Masood signed the agreed minute on behalf of their respective governments.

The two sides during their talks also agreed to evolve a "long-term arrangement" for exchange of certain commidities to further expand and diversify bilateral trade.

During the talks which began last Saturday, both sides agreed to make concerted efforts for increased exchange of value-added items and stressed the need for further diversification of bilateral trade.

Exchange of frequent visits of trade delegations, both at official and private sector level, exchange of trade information between the two countries were also emphasised for expansion and diversification of trade.

The Pakistani delegation expressed its keen interest in importing from Bangladesh tea, jute and jute goods, jute carpet, jute batching oil, jute mills, spares, betel leaf, bamboo, newsprint paper and paper products, hardboards, particle boards, sanitary wares, insulators, spices, G.I. pipes, super enamelled cooper ware, telecommunication equipment, fresh fruits silk fabrics and handicrafts.

Bangladesh has shown interest to import from Pakistan such items like cotton, cotton yarn, thread, fabrics, rice, medicine, spices, pharmaceuticals, urea, pig iron, hard coke, dyes and chemicals sports goods, surgical instruments, dolomite, China clay amonium sulphate, railway coaches and spares, transport and transport equipment, grench fruits, woolen carpets, machinery and light engineering goods.

After signing the agreed minute, the leader of the Pakistani delegation, Mr Mukhtar Masood told reporters that the proposed special trading arrangement (STA) would add a "new dimension and new elements towards increasing the volume of trade and consolidating economic relations between the two countries."

"The new measures will ensure sizeable increase of trade volume between us on a balanced basis," he said.

Commerce Secretary, Mr A. B. M. Ghulam Mostafa said the new measures would go a long way in further consolidating and strengthening the trade relations between the two countries.

/9274
CSO: 4600/1201

TRADE IMBALANCES WITH REGIONAL COUNTRIES NOTED

Dhaka THE BANGLADESH OBSERVER in English 3 Nov 85 p 5

[Editorial]

[Text] The summit meeting of the SARC heads of state is going to be held in Dhaka next month. SARC, which stands for South Asian Regional Cooperation, has already been viewed by political observers as an organization for political cooperation. But any such regional organization, if it is to be effective as well as long-lasting, has to be a platform for economic cooperation as well. South East Asia Treaty Organization (SEATO) in the fifties and Regional Cooperation for Development (RCD) in the sixties are prime examples in this respect. It is therefore important to explore the economic possibilities of SARC.

There is no denying the fact that the countries which constitute SARC are low-income economies compared to the developed world. They have low per capita income, they all are dependent on external assistance, and the poverty level is significant in all of these countries. But even among themselves, there are wide variations so that some of these countries can be termed as developing economies and the rest of them as least developed economies. Thus, countries like India, Pakistan and Sri Lanka have a per capita income more than $300, whereas countries like Bangladesh, Bhutan, Nepal have a per capita income less than $100. Between 1970 and 1982, Pakistan had a GDP growth rate of more than 5 per cent, whereas for Nepal, it was only 2.7 per cent. For India, Pakistan or Sri Lanka the industrial sector accounts for more than 25 per cent of their respective national income, whereas for countries like Bangladesh, Nepal, Bhutan or Maldives, it is less than 10 per cent. Thus there is a wide difference in the economic strength, ecnomic structure and the level of economic development among the SARC members Furthermore, among all the SARC members, India is in a unique position as a regional economic super-power. Any discussion of economic cooperation among the SARC members must start with these basic two facts.

Thus, apart from India, all other SARC members seem not to have significant potential for providing economic aid in terms of money or commodities to their fellow members. In terms of assistance what the SARC members can easily share among themselves is technical knowledge and economic experience. Even in those areas contributions will not be equal. That leaves us with the area of regional trade where the possibilities of cooperation can be explored. In the area of trade also, inequality exists among the SARC members. Thus in 1982, where the exports from India, Pakistan and Sri Lanka were worth of $8446 million, $2403 million and $1,015 million respectively, the exports from Bangladesh were only $769 million and those from Nepal were only $46 million. Between 1970 and 1982, whereas our export sector registered a negative growth rate of—0.8 per cent, the export sector of both India and Pakistan underwent an annual growth rate of 4.7 per cent each. Under such circumstances the creation of a situation conducive to balanced trade among the SARC members does not seem to be easy.

As an active member of SARC, Bangladesh must find ways as to how it can contribute more to, and at the same time get more benefit from, the economic cooperation under the auspices of SARC. In terms of trade, we have a trade imbalance with the relatively economically stronger members of SARC. Thus in 1981-82, we exported Tk. 94.7 million worth of goods to India, but we imported goods worth of Tk. 1578 million. With Pakistan, the figures are Tk. 1083 million and Tk. 1316 million respectively. During the same year, we exported goods worth Tk. 20 million to Sri Lanka, but our imports from that country were Tk. 132 million. Even with Nepal, a relatively weaker, economically speaking, member of SARC, we maintained a trade imbalance, our exports to it in 1981-82 were Tk. 4 million whereas our imports were Tk. 60 million. Our trade with Bhutan and Maldives are still more insignificant.

Under such circumstances it is essential to improve our export performance to the other fellow SARC members. Trade imbalance with India must be reduced by exporting more goods to India, e.g. raw jute; leather products, hides and skin etc. By exporting more tea, betel nut and betel leaf, for which a market already exists in Pakistan, our trade with Pakistan can be improved. We must concentrate on non-traditional items and diversify our exports so that we can increasingly meet the demands of Sri Lanka, Nepalese, Bhutanese or Maldivian markets. In this regard the SARC members must remove all the unnecessary trade barriers so that regional trade can really be effective.

The future of SARC as an organization of regional co-operation will very much depend on whether it can evolve as an organization of economic co-operation. Its political aspect may be alright, but the main issue may be its viability as an economic organization. It is yet to be seen how the SARC members rise to that task.

/9274
CSO: 4600/1200

TREND TOWARD MERGER NOTED IN LEFTIST GROUPS

Dhaka HOLIDAY in English 25 Oct 85 pp 1, 8

[Article by Amanullah Kabir]

[Text] The left political parties of Bangladesh, which were plagued with one split after another in the past have of late set a trend of unity and six parties and factions, have already announced their merger into three different parties sinking their long standing differences. And some more Left parties are also likely to join the unity process within a couple of months.

It may be mentioned here that nine Left political parties have for long been maintaining close cooperation among themselves in an effort to take united stand on different political issues and programmes. This number has been reduced following merger of several parties recently.

Following the merger of the two factions of Samyabadi Dal led by Mohammad Toaha and Khondaker Ali Abbas, the Rashed Khan Menon faction of the Workers Party and Abul Bashar-led Majdoor Party announced their fusion into a single party under the banner of Bangladesher Workers Party (Workers Party of Bangladesh), and it was followed by merger of Biplobi Communist League and the Shah Alam Manik-faction of the Samyabadi Dal into a new party named Bangladesher Communist League (Communist League of Bangladesh). The Workers Party faction led by Nazrul Islam has also decided to merge with Bangladesher Communist League through a unity congress of the two parties very soon. In the process of unity each of the political parties or factions made fresh evaluation of the national and international situation in an effort to reach broad understanding among themselves.

At a press conference following the unity congress of Biplobi Communist League and the Shah Alam Manik faction of the Samyabadi Dal, a leader of the Communist League refused to call the Soviet Union a social imperialist country and in reply to a question he said, "The Soviet action in Afghanistan is unjustified" He did not use the term "aggression" with reference to Soviet military presence in Afghanistan. This was a clear Departure from their earlier analysis of the Soviet Union.

GREATER NAP ?

The long unification process of the NAP

(Muzaffar), NAP (Harun) and Ekota Party may finally result in a merger of them into one party under the banner of National Awami Party. The reason for unusual delay in unification of the three factions is differences over the structure of unified leadership, organisational shape and functioning of the new party. The faction led by Professor Muzaffar Ahmed had raised certain questions which hindered the unity process.

The last council meeting of the NAP faction led by Professor Muzaffar Ahmed ended without taking any resolution on the proposed unification. The council meeting rather adopted a resolution calling for strengthening the party organisation and gearing up its activities obviously opposing its fusion into the proposed unified one party. This stand of Muzaffar Ahmed threatened the unity of the party. Pir Habibur Rahman, General Secretary of Professor Mozaffar-led faction of NAP issued a statement recently under scoring the need for unity of the like-minded parties and people into a radical democratic party indicating the differences which developed within the party on the question of unification. The next day he issued another statement saying that he did not issue any statement to the press, rather he sent an article expressing his individual opinion on the need of unity and formation of a single radical democratic party.

It is learnt that Pir Habib was forced to contradict his own statement only to facilitate holding of council meeting of the party. A leader of NAP, when contacted, expressed optimism about the merger process and said that the proposed radical democratic party would be given a concrete shape at the earliest possible time. He further said that leaders and workers of all the three parties felt that the process of unification should be expedited in the present context of political situation in the country.

It may be mentioned that the two factions of NAP initiated the unification process about three years back through resolution in their respective party council meetings and later Ekota Party also took a similar resolution. A leader of the unity move, however, said that although differences on some political questions still persist, the consensus among the members and leaders suggest that they keenly desire the merger into a single entity burying minor differences.

/9274
CSO: 4600/1194

BANGLADESH

COMMUNIST PARTY GENERAL SECRETARY MEETS PRESS

Dhaka THE NEW NATION in English 3 Nov 85 pp 1, 8

[Text] The General Secretary of the Communist Party of Bangladesh Mohammad Farhad has announced a programme to observe Protest Day on November 18, against the denationalisation of the large industries and the big commercial establishments, reports ENA.

Addressing a press conference at the central office of the party in the city yesterday, he said denationalisation was totally contradictory to the spirit and the objectives of the liberation movement.

The capacity utilisation of big industries and factories decreased by about 50 per cent following return of those to the private sector, Mohammad Farhad alleged. He described the official arguments in favour of denationalisation as baseless.

Explaining his party's principles and objectives, the CPB General Secretary opposed the denationalisation of jute mills, textile mills, banks and insurance companies.

In a written speech Mohammad Farhad said that the Communist Party was not against the small and medium industries in private sector.

The public sector and the private sector will work side by side, he added.

Expressing concern over other economic measures taken by the government, the C.P.B. leader accused vested interests of trying to reintroduce Pakistani pattern of economy in Bangladesh.

To accelerate the process of transition to democracy from martial law, the C.P.B leader reiterated his party's stand on holding free and fair elections to the sovereign parliament on the basis of 5-point demand.

When his attention was drawn to an observation made by President Ershad about Jamaat-e-Islami at an exclusive press interview in London recently, the leader of the Communist Party of Bangladesh said that people's mandate was final in resolving any issue.

/9274
CSO: 4600/1199

BANGLADESH

NEGOTIATIONS BETWEEN DHAKA, CHITTAGONG TRIBALS REPORTED

Dhaka HOLIDAY in English 25 Oct 85 p 1

[Article by Ataus Samad]

[Text] Last Monday, October 21, 1985, became a milestone in the history of the tribal insurgency in the Chittagong Hill Tracts area because on that day the Bangladesh government and the main political group of the faction-ridden Chakma insurgents met officially for the first time to seek a settlement of the rebellion.

The talks, we understand, have been adjourned so that the delegations of the two sides can report to their principals. Neither the venue nor any detail about the talks have been disclosed. The government only said that there would be a five-member delegation from its side and a four-member team from the side of the Jana Sanghati Samity.

The government, through a brief Radio Bangladesh news items, showed its goodwill, toward the insurgent group by describing it as the "Chittagong Hill Tracts Jana Sanghati Samity led by Mr Jyotirindra Bodhipriya Larma." Jyotirindra Bodhipriya Larma is better known as Shantu Larma and he is the younger brother of the assassinated rebel leader Manabendra Narayan Larma. Jana Sanghati Samity is the political organisation of which the Shanti Bahini is the military wing.

The Larma group, as reason tells, is talking with the government not from a position of strength. A murderous in-fighting between them and the group led by Pritikumar Chakma has weakened both. Pritikumar Chakma's own strength has been decimated by the return to normal life by 223 of his men last April. That group laid down arms on the basis of an agreement with the government. On their part they said that they were surrendering arms for the sake of peace and development of the Chittagong Hill Tracts. On the part of the government it said that it would stop its policy of settling plane's people in the Hill Tracts, without prejudicing the right of private citizens to go to the Hill Tracts and settling there as one can do in any place of Bangladesh, and that it would pursue a vigorous policy of developing the Hill Tracts. Possibly, this weakening of Pritikumar Chakma has not added much to the strength of Shantu Larma, as some of his supporters had thought. Meanwhile, a liaison committee of tribal leaders opened talks with Shantu Larma for a peaceful and negotiated settlement with the government. The peace committee is led by Upendralal Chakma, former Adviser to Chief Martial Law Administrator and President, Lt. General Ershad. This initiative led to the talks.

GENERAL AMNESTY

It may be also recalled here that by last April about 3000 members and supporters of the Shanti Bahini had surrendered under the general amnesty offered by the government.

The situation, viewed from different angles, is ripe for peace. The government has shown its willingness for a negotiated settlement of the problems of the Chittagong Hill Tracts and is now putting more emphasis on the development of the area. The rebels, after years of insurgency, have not been able to make any military gain. Many of them have already made their peace. Therefore, those who still remain in the jungles, will not lose face if they follow suit.

Meanwhile, successive governments have learnt that insurgencies in difficult terrains can cost them and worry them a great deal. Therefore, once the rebels have been brought to a reasonable frame of mind, it is better to address the root causes of such insurgencies.

In the case of the Chittagong Hill Tracts the basic issue is one of protecting the interests of ethnic minorities, especially of their culture and life-style. This is a problem majority groups in many countries have had to face and they have in most cases behaved badly. Bangladesh can take the lesson from others and act in better ways than many other nations which claim to be more civilised.

/9274
CSO: 4600/1194

INDIA

SIKH LEADER ON 'KHALISTAN' RECOGNITION, SIKH 'HIT LIST'

Rawalpindi HURMAT in Urdu 5-12 Oct 85 pp 7-13

[Interview with Jagjit Singh Chauhan, exiled Sikh leader and self-styled president of 'Khalistan,' in London by HURMAT editor, Zahid Malik: "A Bullet-Proof Jacket Can Protect One From a Gunshot, But Not From the Wrath of God"; date not specified]

[Text] [Question] At what stage is the movement for the establishment of Khalistan?

[Answer] Malik Sahib, at present, our movement is at a considerably advanced stage. The Sikhs all over the world are organizing themselves to personally support this movement, while we, sitting in this Khalistan house, do the job of establishing contacts among all those organizations. We have established our contact with the movement in India as well, and more or less 90 percent of the Sikhs there support this movement. I can say with confidence that the movement is gaining strength and spreading.

[Question] In your opinion, with the murder of Sardar Longowal, has the movement for the establishment of Khalistan or the movement within India condemning that act gained any strength or suffered a loss?

[Answer] Actually, during the past 200 years' history of the Sikhs, our people have never punished the traitors. The traitors have always been safe from the punishment and the rage and fury of the people. This is the first incidence in our history of measures for punishment having been initiated. Someone has taken this action to punish Longowal for his treachery. In other words, so much consciousness and anger has been aroused among the Sikhs. This is a very significant factor. Ordinarily, perhaps, people would not notice it or would not fully understand its importance. Perhaps you might recollect that in 1920, one Hindu monk named Narain Das burned 200 Sikhs alive in Nankana Sahib. This happened when the Gurdoarah movement for freedom was in full swing, and the largest public murder in Nankanah Sahib was of the Sikhs. The British carried out this tyranny with the collaboration of the Hindu monk. Last year, Narain Das met his natural death in the district of Jalandher. He lived for a long time, but no Sikh ever realized that he murdered 200 Sikhs, therefore he should be avenged. It is for the first time, however, that the Sikhs have rejected a traitorous Sikh leader, and they have punished him duly. On this basis, therefore, I perceive it as an encouraging sign. The process has now begun. Our movement is already very strong. This is a defeat alone for the traitors who are cooperating with the Indian government.

[Question] Some Indian newspaper has written that the conspiracy to murder Longowal was planned under your supervision in London.

[Answer] They always levy such accusations. Last year also, I explained to you my stand. I am a very old and peaceful person. Neither do I possess that zeal of youth, nor do I believe in the politics of violence. I do not feel that with the death of one or two individuals, the course of politics would alter. In order to turn the direction of politics, it is essential to activate public opinion and the press by presenting one's own viewpoint. It is essential to do this repeatedly and through an effective method. The aim of such accusations is to put pressure on the government of London to impose restrictions on the exiled leadership here, or to have it expelled from here. Therefore, whenever something happens, they always say that it is directed from London. At first, at the time of Indira Gandhi's murder also, it was said that I was behind all that.

[Question] You did, however, tell me that she would not witness the sun of 1985, and your prophecy did come true.

[Answer] I say this even now that these traitorous Akali leaders, whom you are talking about, will not be spared by the Sikhs. I do not claim to be a saint, but this is my estimation through the study of history and current affairs.

[Question] I read in a newspaper that the Indian government has decided to distribute arms among the employees of the Cohgress (I), so that, besides the army and the police, they, too, can participate in fighting against the Sikhs when the need arises.

[Answer] Not only Congress (I), but also the Hindus of Jin Singh, rather all Hindus in Punjab are being provided, on a large scale, with arms and licenses for arms, whereas, the weapons legally owned by the Sikhs are being seized from them, and their licenses are being revoked. For this reason, therefore, the intentions of the Hindu rulers are quite clear to us. We have no misunderstanding in this regard. However, their weapons cannot inflict any harm upon us. We have confidence in ourselves. The Hindus populate the cities, while the Sikhs populate the villages. For this reason, therefore, they cannot cause us any harm. At the most, they can defend themselves in the cities. Anyway, the Indian government is pursuing this policy. Your information is correct.

[Question] Recently, it was also published that the Sikh leadership has said that whoever participates in the elections will be a traitor of the Sikh nation. What is your view in this regard?

[Answer] I feel that whatever compromise is made, it is a betrayal and treachery with the Sikhs. This is not the first such incident. You can review the history. During the movement of 1920, and in 1948, the Sikhs suffered a defeat due to the frauds of the traitors. In 1920, when the Sikhs were fighting for the freedom of their gurdwaras [temples], the barrister type of Sikh leaders, after making an alliance with the British, also formed a gurdwara committee. They declared that the Sikhs and the Akali Dal would restrict themselves to religious affairs only and would not participate in politics. All this was a deception with the Sikhs. That is why, in 1947, when Quaid-e Azam offered a proposal to the Sikhs, it was rejected. If analyzed deeply, the same leadership was working behind it, a leadership encircled by the Hindus or which was infiltrated into the Sikh organizations for this purpose. This pro-Hindu leadership did not allow for a compromise. After independence, during the rule of the Congress also, the Sikh leadership has always betrayed its own nation to strengthen the hands of the Hindu rulers. Even now, these leaders thought the same thing. But they did not perceive the demands of the time. They thought that, even now, they could continue to proclaim by the beat of the drum that they were victorious. This time, even the young and wise sector is fully prepared, and it is ready for the fact that after such a big struggle, they will definitely achieve something, and that they will not be allured as in the past.

[Question] What is your view of the Akali Dal's success in the East Punjab?

[Answer] I feel that this has now exposed India's prodemocratic claim to the world. By rejecting the Congress, the Sikhs have proved that they cannot be deceived any longer. In other words, they have refused to accept the domination and superiority of the Hindus. This sensation is the closest to our cause and objective. I would also point out another factor here. The reason why 60 percent of the votes, as they claim, were cast in the elections was that 100,000 semimilitary detachments and police staff were stationed in the province to check the disruptionists and the rioters. You, yourself, can guess what will happen when this detachment of 100,000 personnel is recalled.

[Question] What benefit will your movement gain from this?

[Answer] I would like to point out one thing specifically that there are ups and downs in the struggle for freedom. A great many tricks and tactics are utilized to defeat the enemy and the adversary. After all, the Akali Dal, too, are Sikhs. These people also would have definitely not forgotten the cruelty and the excessiveness the Hindus inflicted upon the Sikh women in Darbar Sahib.

[Question] Should the Akali Dal's success be regarded as a part of one of your strategies?

[Answer] I think that I have already made my meaning clear. Now the time alone will prove what is the real truth. Anyone of the actions could be included in our strategy.

[Question] Sardar Sahib, in your opinion, at this stage, can't the Indian president, Sardar Zail Singh play a significant role and do something to end the dispute between the Hindus and the Sikhs?

[Answer] Right now, there is not a single modest soul left among the Sikhs serving in the Congress. They are submerged in a sort of mental slavery. If he had any modesty, he would have resigned on the same day Darbar Sahib was attacked, or he would have quit the presidency the day the Sikhs were publicly murdered in Delhi. He is, therefore, a captive and prisoner of his misconduct. According to my information, he has been kept isolated. He cannot talk to anyone. All the Sikhs of his guard have been changed. Even the two or three Sikh advisors he had on his staff have been removed. In a way, he is a prisoner inside red-stone walls. The poor person's conscience was already weak. Whatever conscience is left in him now, that, too, has been destroyed by the constraint of the time. If he wishes to say something, he cannot utter it.

[Question] It is said that the Sikhs have made a hit list. According to your information, who are the people included in it?

[Answer] I can only say this much, that all those people who committed sins and participated in the tyranny will be revenged by the Sikhs.

With regard to the question as to who is included in the list, I will give you two books, which are based on the investigations of the human rights organization there. Just leave aside my point. You already know about the culture of Punjab. If the court ever sets any murderer free with the aid of some technical subtlety, then, after his release, as long as he is not murdered as a revenge, people do not eat the bread of his house. They do not understand this psychological point. Therefore, people will not rest until they have taken revenge. Whether the oppressor is Rajiv Gandhi or someone else, he will be definitely punished. It is my prediction that 1986 will be the last year of Rajiv's life. I don't say that I will do something against him. As I have already mentioned before, I do not believe in violence. Otherwise, also, I am an old man. Moreover, violence only begets violence. I am saying this after studying the circumstances. It is my guess that the Sikhs will take revenge for the public murder at Delhi. The Sikhs are a nation with a keen sense of honor.

[Question] Just today, news has been published that India has closed its borders with Pakistan, and that they have accused Pakistan of assisting in the disruptive activities.

[Answer] Malik Sahib, the truth is that India has never accepted the existence of Pakistan. They believe that they will once again make it a part of India. They also think that they will convert all minorities of India into Hindus, and thus fulfill their dream of a Hindu India. But, I feel that the thinkers of India are residing in a heaven of fools. It's most unfortunate that they are uselessly promoting tension and commotion in the entire region; though India is three times more powerful than Pakistan. It has so many extensive means and resources. It produces all the weapons.

Besides, they are purchasing highly sophisticated weapons from America, the Soviet Union, England, France, and all other countries. However, they simply make a big hue and cry of sometimes accusing Pakistan of assisting the Sikhs and, at other times, accusing her of producing an atom bomb. Pakistan and India can really be compared with a wolf and a cub. The wolf (India) wishes to make the cub (Pakistan) its morsel. The wolf says, "Two months ago, you abused me." The cub says, "Well, sir, I am just 1.5 years old." The wolf says, "Then it must be your father." This is exactly how India is, that, somehow, it makes one excuse or another to blame Pakistan. First, it invaded the Golden Temple claiming that Sant Gernail Singh had made it a center of disruptive activities. Now, for some days, it has come up with a new notion that Pakistan is engaged in all this mischief by wearing longer beards and hair on the head. In other words, such absurd and silly things are being invented just to mislead world opinion against Pakistan and to arouse a feeling of revenge among the Indians against Pakistan. Its greatest objective is to weaken the Sikh movement. They wish to give the impression, however, that the Sikhs are already with them, that everything is peaceful and quiet, except for mischief by Pakistan. Therefore, with one excuse or the other, they are moving the military to the border. Previously, always paramilitary forces alone were assigned to the borders. Have you ever seen military on the entire border? Today, from Jammu to Gujrat, there is all military.

[Question] What is the reason for that?

[Answer] I have already stated the reason that they have bad intentions. They are merely making the excuse that they are sealing the borders. But, in fact, this action is a part of the preparations to attack Pakistan. It is a part of the anti-Pakistan intentions of the Indian government. If the leaders of Pakistan fail to apprehend the delicacy of the time and do not react with guts and courage, its consequences will be highly erroneous. I feel that it is a very appropriate time now that Pakistan should specifically announce its unity with the Sikhs, because Islam and Sikhism are very close religions. Both should establish an alliance in this region, and they should promote it further. Just as the Muslim leaders are about to meet with Pope Paul, which is a very good and pious step. All people having belief in one God should be united. For this purpose, therefore, the religious and political leaders of Pakistan should come forward and take the first initiative, and in order to achieve this end, the present appropriate time should not be wasted.

[Question] I have heard from a most reliable personality here in London that India has contacted you saying that if the Sikhs cooperate with it to destroy Pakistan's Kahuta atomic plant, the Indians are prepared for a mutual understanding with you. How much truth is there in this news?

[Answer] No Hindu has come to me. However, a white man sent by them did come here. He did not even identify himself to me, but he did say the very same thing you are telling me. He proposed that if we give them our men for the Sikh commando action and cooperate with them, our affairs with India can be rectified. He also claimed that he was saying that upon the suggestion of very reliable and authorized people. It is clear now that India is totally serious about its intentions regarding the atomic center of Pakistan.

[Question] So you do possess such information whereby India intends to demolish Pakistan's atomic centers.

[Answer] It's not a matter of information now. India's intentions are fully unveiled now. Also the facts about its cooperation with Israel regarding this issue have already been leaked out now. India wishes to accomplish two goals through this action. One is to destroy Pakistan, and the other is to annihilate the Sikhs. Furthermore, it will also attain the objective of diverting the attention of its people from its internal problems. I feel that, right now, Rajiv Gandhi will leave no stone unturned to strengthen his leadership. Currently, India, Afghanistan, and the Soviet Union are fully united. This emissary of the Hindus also said that, at present, it is easier to launch this attack from Afghanistan. He also said that if men are sent into Pakistan from the other border, it will be easier to accomplish this task. He said many other things. In my opinion, efforts are being made to destroy Kahuta from all four sides, whether this attack is launched from Afghanistan or through the air.

[Question] How do you view the Indian leadership's policy regarding the Afghanistan issue? Today, not only is the Soviet Union's entry into Afghanistan not restricted to trade, but its global policy is also successful and its feet are firmly established in the subcontinent. Also, right now, Pakistan alone is somewhat hindering its path, and India's intentions also are against Pakistan. Therefore, if it firmly establishes itself in the third country, Afghanistan, and then proceeds toward Pakistan, it can possibly move forward toward Delhi also. Why doesn't the Indian leadership understand this situation?

[Answer] The Soviet Union's real target is not Pakistan but India alone. The only solution to the Soviet Union's nutrition and wheat problems is for it to occupy the subcontinent, both India and Pakistan. In this way, its access to the rest of the world by sea will be secure. If the Soviet Union controls both Pakistan and India--and in fact, at present, in India it enjoys all the facilities of an occupying military and Pakistan is the only obstacle--this issue of wheat alone can be addressed to someone else also. It is a very simple fact. There is no entanglement in it.

[Question] Doctor Sahib, so far, has any international agency or country recognized the government of Khalistan?

[Answer] So far, no one has recognized us. However, there are enough possibilities for the Sikhs in Ecuador and South America; although India has tried to create considerable tumult in South America and Ecuador through a group of neutral countries. In Ecuador, they have already established their embassy. The president of Ecuador came here, and even now, our delegation is there. Besides getting recognition, we are trying to settle the Sikhs in many countries in the field of agriculture and trade. We have very bright opportunities in that respect. I cannot go into more details about this, but you will soon hear some news. Right now, we are paying more attention to Brazil and Ecuador. As far as recognizing Khalistan is concerned, in my opinion, the first country to recognize us, or that should do so, should be Pakistan, because this is a natural alliance, both long term and short term. It is already overdue. Just as India was the first one to recognize the exiled government of Bangladesh--although the exiled government was sitting in a hotel room in Calcutta--and India not only assisted it but sent its forces also, I feel very strongly that the time has come now that Pakistan should demonstrate courage and recognize Khalistan. The result of this will be that the remaining Muslim countries will follow Pakistan. They will listen to Pakistan. This is the very reason that, compared to the rest of the world, we have more hopes from our neighboring Pakistan, with whom we are closer on both cultural and religious bases. Once Pakistan recognizes us, the door will be open. Anyhow, we are establishing commercial and agricultural relations wherever we get the opportunity. Ecuador is the only country that has expressed some sympathy toward us.

[Question] As far as Pakistan's policy is concerned, we do not believe in interfering in the internal affairs of other countries. Secondly, if Pakistan recognizes you, India will get the justification of taking action against Pakistan. This measure will prove fatal for the movement of the Sikhs also, because, even now, they say that the people of Khalistan are traitors of the country. With Pakistan supporting you, their claim will prove to be true.

[Answer] No, it is not so. That, too, was a phase. In my opinion, Pakistan demonstrated great forbearance. Despite every kind of instigation and accusation, Pakistan has not granted any sort of assistance to the Sikhs. It has fully honored the international law and values. Despite this, however, you see that all kinds of accusations are being levied against Pakistan. The truth of the matter is that the aggressive policy of India has just begun. Naturally, you will have to retaliate. If you do not react aptly, everyone should be prepared to bear the consequences.

[Question] Rajiv Gandhi has started addressing the public while standing in a bullet-proof box. In your opinion, who is he afraid of?

[Answer] Really, he is frightened of the Sikhs only, but he has come up with another pretext today, that the Pakistanis are appearing with longer beards. I feel that this is actually his internal fear; just as a person's sin threatens him from inside. This is because he ordered the public murder of thousands of innocent people. As long as he is not granted atonement, forgiveness, and punishment for his crimes, the Sikhs will not leave him alone. I am not afraid to say this. The Sikhs have always taken their revenge in history. It is a different matter that acting upon this measure takes time. How much more cruelty there will be is unknown. There is not a single home in which one individual or another has not gone to jail. No young man can roam about in the shopping center. No one can ride a motorcycle. One lawyer has written to me that a Sikh's case is discharged before we even open the book. When the judiciary becomes so corrupt, you can imagine what the results compiled will be. The Sikhs will definitely fight for their rights. This is my own presumption. Please do remember also this statement of mine that Rajiv may wear as many bullet-proof jackets as he wants to; however, as long as he does not admit his sins and seek their forgiveness, these bullet-proof jackets and bullet-proof stages cannot protect him. God alone will punish him. What will he do in case of sickness or accident? A bullet-proof thing can only protect him from a shot. It cannot safeguard him from God's wrath. When human justice fails, Divine justice replaces it.

[Question] India's relations with all its neighboring countries are like the relations of a superpower with smaller countries. Don't you feel that, due to this, India's relations with its neighboring countries are deteriorating?

[Answer] Exactly so. I have received information from Bangladesh from very reliable sources that now India is offended with General Irshad also. This is because of the issue of the Ganges waters, the issue of the refugees, and putting barbed wire on the borders. You may have read that, perhaps for this very reason, huge quantities of weapons have been found in colleges and universities. The question is: Where did these weapons come from? India is sending these weapons there under organized planning. According to my information, now, India will very soon intervene there. Political elements with views similar to India's and the Soviet Union's will be used for this purpose. The major cause of this is that General Irshad has appointed some persons to the cabinet who are well known for taking care of their own comfort. Right now, nearly 1,000 men are being trained under the leadership of Qadir Siddiqi, and they are being armed. It is possible that India's regular forces, too, will accompany them. For this purpose, Hasina Wajid, Sheikh Majeeb's daughter, is already smoothing out the climate. A lot of political unrest exists there, under whose pretext India will intervene militarily. It will raise a revolt against General Irshad. A similar situation exists with Nepal also. The headquarters of Nepal's opposition parties are formally established in Patna and Lakhnow. Nepal is also being threatened and frightened. Their attitude with Sri Lanka, too, is the same. Finally, Pakistan also will be treated in the same manner. Since Pakistan is more powerful than all the neighboring countries of India, I would advise Pakistan's politicians to unite all the smaller countries and form an organization of the smaller nations of South Asia. Pakistan should be its leader. This would be a magnanimous political feat. The Islamic world would gain strength from this, and the other minorities, too, would gain courage. This is a very appropriate time for this task, provided Pakistan demonstrates the courage to play an active role.

[Question] Recently, you forwarded a request to the Pakistani government to allow you to visit Nankana Sahib, but it was rejected. Do you still plan for a pilgrimage to Nankana Sahib?

[Answer] Malik Sahib! For the past 6 months, I have been very sick. Otherwise also, when a person is in trouble, according to the adage that a drowning man clutches at any straw, he cries before his Master. That is why I resolved during my illness that I would go to Nankana Sahib for a pilgrimage and pay homage to the saints. Therefore, I have once again sent a request to the Pakistani Embassy that I should also be included among the pilgrims who go there on Guru Nanak's birthday, because, during those days, the visas are easily available. Those who go there have no other objective either. If I am granted permission during those days, I shall be relieved of the responsibility that I shoulder on behalf of Allah. I have a great desire for pilgrimage. Now the choice rests with the Pakistani government, whether to grant me the permission or not.

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BAJAJ ON FAILURE OF IMPORTED TECHNOLOGY TO END ILLITERACY

New Delhi JANSATTA in Hindi 6 Nov 85 p 4

[Article by Jitendra Bajaj]

[Text] Let us begin with the condition of school education. According to an official document, 70 percent to 75 percent of the children of school age now are admitted to school. Most of them, however, do not stay in school for long. Out of 100 children admitted into first grade, on the average, only 38 reach fifth grade, and by the eighth grade only 23 are left. If fifth grade is considered the level of learning, then according to the statistics, we are imparting education to less than one-third of our new citizens. Only 36 percent of the country's population is being educated. We have not been able to maintain even this level of education among our children.

There is something causing more concern. That is that expansion of education has stopped at all levels. In the fifties and sixties there was significant expansion in education. In these two decades, education expanded at the rate of 6.2 percent and 5 percent per year, respectively. Even this increase was not big enough to realize dreams of universal education. In the seventies this rate dropped to 2.5 percent a year. This is less than the rate of increase in the population of school-age children. There was no significant increase in the percentage of students in school up to fifth or eighth grade. There has been a substantial drop in the rate of increase of middle, intermediate, and advanced and technical education in the seventies.

It appears that there is no room for more educated people in the nation's economy. Between 1961 and 1981, the rate of increase of unemployment was higher among educated people than among uneducated people. Not only this, but the higher the level of education, the higher the rate of increase of unemployment in that group. According to statistics in the document, in 1956-57, the incidence of unemployment among graduates was lower than among matriculants. But since then, in all statistics the situation has been the opposite, and the rate of increase of unemployment among graduates has remained higher than among the matriculants.

These are the statistics. Now let us examine the qualitative level of education. There is no doubt that after independence many institutions of higher and technical learning were created. Even in small cities one sees a large number of expensive and well-equipped schools. But there has been no improvement in the common advanced and technical education centers and the average schools. Perhaps all the money gets spent on the building and maintenance of special institutions and schools and nothing is left for average institutions and schools. According to the document, in many states, the entire budget of technical education under which several engineering colleges and polytechnics operate is less than the expenditure on a single IIT [Indian Institute of Technology]. The condition of average schools is such that over 90 percent of the expenditure goes to pay the salaries of teachers and staff. It is hardly surprising that most of the schools have neither their own buildings nor rest rooms and running water. In 35 percent of schools there is only one teacher who performs the herculean task of teaching four to five classes and many subjects. As many as 23 percent of teachers are not even matriculants, and 40 percent of schools have no blackboards.

In this document on new education, one can see perplexity as to ways to improve the situation. According to World Bank estimates, in the near future, out of all the illiterates in the age group 15-19, 55 percent will be in India. The government is worried if for no other reason than that this vast army of young unemployed should not hold back the bewildered masses from advancing toward the 21st century. The document clearly reveals this apprehension about the majority of young citizens. But the document offers no clear thinking on how to emerge from this state of illiteracy.

From the document it appears that government sees obstacles of all kinds in the way of expanding and reforming education. It lists several difficulties such as that "there is no tradition of education in the country," "students lack motivation," "means are not available to educate the growing population of this country," and that "on the subject of education, coordination between the center and states is difficult." Government can see only one ray of hope and that is that now the country has modern means of communication like television and that the West has discovered a new Aladdin's lamp called the computer. The document calls upon educationists to discover a practical way to ending this state of illiteracy. Voluntary agencies and village councils are also expected to do their bit in this direction. But based on its technical knowledge, the government has promised only two definite steps. A model school will be opened in each district and computers will be installed in 20,000 schools, to be selected. There is no blackboard; make do with a computer. Or build some advanced and well-equipped schools. This message from government to the country's two-thirds illiterate adolescents is like the advice of the French queen. (The queen said: If there is no bread, why not eat cakes?)

The practice of looking for solutions to the country's extensive problems in expensive imported technology and expansion of advanced facilities is nothing new in this country. Expansion of luxury goods and special facilities has always been done in the name of ameliorating the lot of the poor. In the field of education, Macaulay himself had determined that it is futile to try to educate Indian masses who are deprived of the knowledge of Western civilization. All that can be done is to build a few advanced schools and institutions and acquaint a few with Western knowledge and English and to hope that the education of these few will gradually trickle down to the masses. That is why expensive schools and institutions have been built. Far from some knowledge trickling down to the masses, it has not even reached the average educational institutions. Those educated from these advanced schools and institutions as a rule do not go to teach in common schools and institutions. Nor do they have any interest in solving common problems. According to the government report, engineers educated in advanced institutions like IIT are more interested in the international technical market than in the country. Or they find a berth in the multinational research and commercial institutions and try to acquire for themselves the comforts of the international level.

Looking for solutions to the country's problems in modern imported technology may not be as old as Macaulay, but it is surely venerated. Only a few years ago television was being described as a wonderful instrument for spreading education. By importing machinery on a vast scale and by borrowing time on a foreign communication satellite, an experiment to impart education through television was launched with great enthusiasm. It appears as if television technology was bought solely for spreading education. In 10 years all equipment for television communication, including communication satellites, has been imported. Now 70 percent of the country is covered by television. But how much was the increase in education? Looking at the programs, it seems that by allowing access to drawing rooms of middle class families, multinational companies making powder and toothpaste have been provided with an effective weapon for promoting consumerism. One definite result of the programs presented by these companies and other entertainment programs on television is that children of even decent families have come to learn the language of sexual relationships. This is television's contribution to education. Now the talk of spreading education through television takes such low priority that in Andhra Pradesh a university has not been able to buy time on television for its educational programs. The report states that the facilities provided by television have been used for other purposes. If television is to be used for educational expansion, more channels will have to be added. Perhaps the practice of importing the latest television equipment on the pretext of spreading education is not yet dead.

Like television, other technologies are imported into the country for one use and end up by becoming a means of luxury and comfort. Here we do not have a tradition of asking how far the purpose for which a modern technology was imported has been fulfilled. A strange love and fear of new technology is prevalent here. Nowadays, even Gandhians describe themselves as supporters of modern technology, provided an adequately small and trouble-free version can be brought here. Recently, when the computer wave began, a prominent Gandhian thinker wrote that after reading Gandhi's literature he was convinced that in the village of Gandhi's dreams there were all kinds of modern machinery and even a small computer. In the future, we should not be surprised if a Gandhian expert discovers a small atom bomb in Gandhi's village. Modern Western technology has such an ascendancy over the Indian mind.

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RADIO COMMENTS ON SEIZURES OF VESSELS IN GULF

GF311710 Tehran International Service in Arabic 1430 GMT 31 Dec 85

[From the "Political Follow-ups" program]

[Excerpt] The Iranian navy has seized a Danish ship in the Gulf of Oman, which was carrying explosives destined for the ruling regime in Iraq, and forced it to dock at one of the ports of the Islamic Republic of Iran.

Since the beginning of the 'aflaqi aggression against our Muslim people, the heroic Islamic navy has closed Gulf waters to any Ba'thist move and completely demolished Ba'thist ports, to the point that the Baghdad rulers cannot export one barrel of oil through these waters or make use of the so-called Iraqi ports.

Although the Baghdad rulers have hastened to their allies, such as Jordan and other regimes, in order to make use of their ports and their land supply routes, they also have attempted, by various devious means, to make use of the region's waterways in order to continue their sinful aggression and to boost their military machine with spare parts and all that which increases their brutality in attacking our peaceful Muslim people, and to continue the aggression.

Hence, we used to find every other week a ship, with cargo destined for the Baghdad rulers, desiring to unload its cargo at one of the ports of a neighboring Gulf country adjacent to Iraq. Our Islamic forces have had no choice but to detain these ships and search them, and then confiscate any cargo which they were carrying for the Baghdad rulers, even though this came by a route through another country.

It has been clear throughout the 5-year war between our Muslim people and the infidel Ba'thists that international arrogance has spared no effort in extending all possible political, economic, and military support for Iraq's rulers so that they could continue their barbarous aggression against our Islamic revolution and destroy it.

In addition to the masters, there were some rulers who opened their ports and borders to the cargo meant for Iraq, such as military equipment which has contributed to the slaughter of more Muslims in the region.

Even the Zionists have participated in this. The Zionist entity accepted the mediation of the U.S. ambassador in Amman to prevent attacks on Iraqi planes which took refuge at the beginning of the war at the airports of the king of Jordan out of fear of the Islamic planes.

/12858
CSO: 4604/18

NAVY CHIEF THREATENS TO 'ANNIHILATE' TRESPASSING VESSELS

Tehran ETTELA'AT in Persian 25 Nov 85 p 14

[Text] The Navy of the Islamic Republic of Iran, as a determining force in the area of the Persian Gulf and the Sea of Oman, continues to fulfill its critical responsibility of guarding the waters of our Islamic nation.

During the past five years of their proud struggle against the aggressor enemy, the naval units have added noble pages of epic proportions to the history of the revolution and the imposed war. In this regard, 7 Azar 1359 [28 Nov 1980] was the beginning of the navy personnel's victorious operations. On that memorable day Iran's naval units carried out Operation Morvarid, and, while destroying the Al-Bakr oil terminal, sent several enemy warships and aircraft to the bottom of the sea.

This epic and victorious procession of events, which began with Operation Morvarid, has continued through five years of combat with the foreign enemy. Now, zealous naval personnel, while maintaining the necessary preparedness, are preparing themselves for combat with the imperialist powers. The Navy of the Islamic Republic of Iran has a sensitive and important role to play in carrying out the Islamic Republic of Iran's recent move to stop ships bound for Iraq with suspicious cargos. On this basis, the alert personnel of this force, as they maintain an around-the-clock watch over ships coming into the Persian Gulf and the Sea of Oman through the Strait of Hormoz, are inspecting and questioning suspicious ships.

In implementing this move, so far more than 400 ships have been questioned and tens of others have been inspected by the brave Iranian forces.

Our country's naval warships, in view of the desperate efforts of the world powers to establish a naval presence in the Indian Ocean and the Sea of Oman, have taken vigorous security measures, and, maintaining a full watch over these warships, have maintained their readiness to meet the probable threats from them.

On the eve of the sixth anniversary of the proud events of Operation Morvarid, which were the beginning of subsequent victorious naval operations, we interviewed Captain Mohammad Hoseyn Malekzadegan, Commander of the Navy of the Islamic Republic of Iran.

In this interview, the Commander of the Navy discussed the navy's activities to combat potential threats and plots from world imperialism and answered questions from our correspondent concerning the results of naval maneuvers in Bandar 'Abbas, the purchase of foreign equipment, the passage of commercial ships through Iran's coastal waters, and the latest news concerning the questioning and inspection of ships in the Persian Gulf. The full text of the interview is provided for our esteemed readers below.

ETTELA'AT: Please list the aims of the naval maneuvers at Bandar 'Abbas, and, as you do so, could you give the results achieved in these maneuvers?

Commander of the Navy: The navy conducts various maneuvers every year with a view to its training programs. These maneuvers have various parts, and they are generally set by programs approved by the navy. In view of the existing threats in the area, a series of operational projects are approved, and on that basis the naval personnel carry out the education and training needed to provide the readiness needed to carry out these projects at the appropriate time.

ETTELA'AT: Does the navy have plans to carry out maneuvers in the country's northern waters?

Commander of the Navy: Currently, in view of the fact that Iran's naval units are concentrated in the Persian Gulf and the Sea of Oman and that training bases are located in the north, we have no plan in this area, because the training units are not prepared to participate in such extensive maneuvers.

ETTELA'AT: What led to the detainment of the Dutch tugboat Amsterdam in Iran's coastal waters?

Commander of the Navy: As we have said before, these tugboats, as sea vultures, come into Iran's territorial waters to tow damaged ships, thereby earning huge amounts as fees. What led us to detain the tugboat Amsterdam was its communications system.

This tugboat is equipped with very powerful communications equipment and even surface radar with a range of 120 miles, which appears extraordinary in view of the fact that our own similar tugboats do not have such things.

Of course, a team of electrical, electronics, and communications specialists is now studying this tugboat's equipment. Their report has not yet arrived, and when this inspection is completed it will be clear what the objective was for installing this equipment on the tugboat.

ETTELA'AT: How will you deal with these people if it is determined that they came into Iranian waters for special reasons?

Commander of the Navy: Clearly, if this is determined the tugboat will be held and confiscated and its personnel interrogated. In view of the relations we have with Holland, the personnel of this tugboat will probably be freed through contact with the Foreign Ministry and officials of the Islamic Republic of Iran, and they will be dealt with under the country's laws and regulations.

Persons entering a war region and crossing a country's security zone to take damaged ships are usually adventurers, and clearly, in doing this they have collected intelligence from the area to give to their superiors. In view of what we know of the people who control these tugboats, it is almost certain that this intelligence is used internationally.

ETTELA'AT: What is the usual nature of this intelligence?

Commander of the Navy: It could be the way our naval units are deployed and distributed in the area, and at times it may concern our tracking operations against the enemy's missile systems. It is not unlikely that these individuals exchange and circulate this intelligence.

ETTELA'AT: Exactly how many times has Iran's security zone been announced, and what was the reason for your announcing it again?

Commander of the Navy: At the beginning of the imposed war, the navy issued an international declaration which was published in all the world's maritime publications giving the area of Iran's security zone. Based on this announced zone, ships entering the Strait of Hormoz must go around the continental shelf and keep 12 miles to the south of the island of Abu Musa and go north to Persian Gulf, which is all a war zone and about which there is nothing to be said. This lower section, from 12 miles away from Kibel Bek to 12 south of Fars Island, is a war zone, and we have declared this area a war zone. Any ship entering this area does so at its own risk; if something happens, the navy will assume no responsibility of any kind. This security zone was announced at the beginning of the war, but what caused us to announce it again was the activity of tugboats which have been entering this zone without authorization lately.

It is our clear right to announce a security zone. Any country can do this. For example, world-devouring America will sometimes suddenly declare a 200-mile security zone, and ships must obtain authorization to enter it. Very well, in this place, which is a very extensive war zone, such measures must be taken. Sometimes it is possible that a target will be seen on the radar of our ships when it is not possible for us to determine if the target is hostile or non-combatant and react. These tugboats have long-distance radar, and communications systems, and we could possibly mistake them for hostile enemy units and attack them. These units must therefore abstain from entering this area unless they have navy authorization.

ETTELA'AT: Is your threat to destroy these tugboats and ships a serious one?

Commander of the Navy: Our serious threat is that the responsibility for anything that happens in this security zone is with those ships.

ETTELA'AT: Since you issued your warning and threat, have any new ships entered the security zone?

Commander of the Navy: Fortunately, since then no unit has entered the security zone.

ETTELA'AT: Does the navy have a plan to close the Strait of Hormoz against imminent threats from the world powers?

Commander of the Navy: Clearly we have plans, and we have announced that repeatedly. We will implement them at the appropriate time against a likely threat, on orders from the Supreme Defense Council. Likewise, in view of the systems, equipment, and efficiency of the navy's personnel, we are sure that these plans will be very successful if implemented.

ETTELA'AT: Does the navy have plans to purchase naval equipment?

Commander of the Navy: Our goal is that the navy be self-sufficient, make good use of the systems and equipment it has, and fulfill its mission. However, we are not against new technology entering our naval system. This would not mean that we would become dependent on these systems. If we know that a system would create no dependence for us and that our personnel have the necessary training to make comfortable use of it, we would welcome it.

ETTELA'AT: How do you explain the presence of American, British and French warships in the Persian Gulf, and what measures have you taken to confront possible danger from them?

Commander of the Navy: These ships have been in the area for some time. These ships are in the area, especially outside the Strait of Hormoz or in the waters of countries of the region, because of the world-devouring policies of the imperialist powers. We hope that the other Persian Gulf countries will conclude that the reason these ships are in the Persian Gulf is to suck the blood of the nations of this area. Otherwise, why would they need to travel thousands of miles to stay here around the clock?

Concerning the adoption of security measures, I must explain that under no circumstances will these ships enter our waters. They are under the complete surveillance of our units. As long as we do not feel an immediate danger, we will continue to follow their movements in an attitude of surveillance. Clearly, if their threats become imminent, we have plans ready to deal with them.

ETTELA'AT: How many ships have been interrogated or stopped so far by navy personnel?

Commander of the Navy: In view of the number of ships passing through the Strait of Hormoz, around 10 to 20 ships are interrogated by Iranian forces daily, with a total of more than 400 so far. The only ships stopped are the ones we feel are carrying suspicious merchandise, or cargos that could affect the enemy's combat capability.

The last ship to be stopped was the German ship Gabriel, which was released last Friday afternoon after we were satisfied that it had no military goods for Iraq. Naval personnel will continue to implement their policy in this area decisively.

ETTELA'AT: What measures and steps has the navy taken to protect oil tankers passing through Iran's territorial waters?

Commander of the Navy: With the measures we have taken, we have been able to keep the sea lanes and ports open for the passage of oil tankers, and the ships pass through the area easily and under our supervision. The Iraqi regime announces every day and every hour that it has fired on maritime units, and there is no truth to these claims. If there were, the insurance companies, especially Lloyd's of London, would immediately cable that information over their telex systems.

ETTELA'AT: To what extent have you taken security measures in the area?

Commander of the Navy: Of course, in view of the wartime situation, we cannot publicize the steps we have taken, but a great deal is made clear by the very extent to which the enemy fires rockets every day and keeps aircraft in the area without being able to do anything. The enemy has re-equipped his rockets with Exocet missiles, and this has been ineffective in view of our tracking systems and security measures.

ETTELA'AT: Are ships with military cargo for Iraq using the coastal waters of countries in the area to reach their destination?

Commander of the Navy: We have so concentrated our ships in the area that these ships are interrogated before entering that area. As we have frequently warned, however, if we should sense that ships with suspicious cargoes are using the territorial waters of other countries, we will remove them from that coastal course using special measures.

ETTELA'AT: Could you explain further about these measures?

Commander of the Navy: These ships are following a course in which they are periodically obliged to leave these coastal waters for a short time. We warn them that if they do not come out voluntarily, they will be endangered when they do come out. In several cases these ships have come out of their coastal course and been interrogated. Of course, with our relations with the countries of the area, we hope these countries will prevent these ships from passing.

ETTELA'AT: What is the current level of training of naval personnel?

Commander of the Navy: Commissioned and non-commissioned cadres are trained in various specialties within the country. They study various fields in mechanical engineering, electrical power, electronics, and even basic flying and ship's piloting at the College of Naval Sciences. The first graduating class at this school is entering the final stage of training this year. Likewise, the largest electrical power and electronics school in the Middle East has been established in Rasht. This school, which the Americans worked on previously, has been launched and put into operation by naval personnel through around-the-clock effort.

ETTELA'AT: In view of the nearness of 7 Azar [28 Nov], the anniversary of Operation Morvarid and the bravery of the heroic personnel of the Peykan warships, if you have anything special to say please do so.

Commander of the Navy: The seventh of Azar is the anniversary of the epic exploits of the brave guardians of the sea. On this day, the courageous personnel of this force, in close cooperation with the air force, were able to strike heavy blows against the enemy's naval forces, from which the enemy has not yet been able to recover.

In these operations, which almost put an end to Iraq's naval operations, a number of the enemy's naval and air force units were sent to the bottom of the sea. In this operation, the zealous and brave navy personnel showed world imperialism that they have stood on their own feet, and that they are prepared for any kind of self-sacrifice. Finally, I announce that the Navy of the Islamic Republic of Iran, supported by the martyr-nurturing nation, is prepared to carry out successfully any assigned responsibility in the area.

9310
CSO: 4640/109

PAPER PRAISES UAE POLICY TOWARD IRAN

GF291248 Tehran International Service in Arabic 0800 GMT 29 Dec 85

[From the press review]

[Text] The newspaper JOMHURI-YE ESLAMI today writes: The UAE minister of state for foreign affairs arrived in Tehran yesterday leading a delegation on a visit to the country. He was received at Tehran Airport by Iranian officials. The visit is part of the expanding bilateral relations between the Islamic Republic of Iran and its neighbors in the southern Persian Gulf. The UAE has a special standing in these relations. These relations can be expanded and bolstered in view of the practical policy adopted by the UAE in its relations with Iran.

Minister Rashid 'abdallah stated during the first round of talks that the UAE agrees with the Islamic Republic on numerous points. This means that the UAE has planned a practical external policy which has made it stand out among the rest of the Persian Gulf countries.

The paper continues: The Islamic revolution has carried with it the breeze of mercy and love to its neighbors to remove the unequal relations and the arrogance with which the shah's regime used to deal with these neighbors. Some of these countries, however, could not appreciate the love and sincerity espoused by the Islamic revolution. Among those who could realize and appreciate the mercy and sincerity of the Islamic revolution is the UAE, which has endeavored not to fall victim to the pressure exerted by international oppressors and their surrogates in this region, and has carefully assessed the wise policy of the Islamic Republic toward its neighbors in the region.

The visit of Shaykh Rashid 'abdallah to Tehran will undoubtedly strengthen the ties of friendship and fruitful relations between the two sides, which can be an example for relations between the Islamic revolution and the Persian Gulf countries.

/12858
CSO: 4604/19

COMMENTS ON UAE DELEGATION'S VISIT REPORTED

LD291514 Tehran Domestic Service in Persian 1056 GMT 29 Dec 85

[Unattributed commentary]

[Text] Yesterday, the UAE minister of state for foreign affairs, heading a delegation, arrived in Tehran. He was met at Tehran Airport by our country's minister of foreign affairs. Rashid 'Abdallah al-Nu'aymi, who was carrying a message from UAE Amir Shaykh Zayid, for the president of our country, said at the airport:

This meeting, in my view, is extremely important and I hope that there will be some opportunities for discussions and meetings with Iranian officials. He expressed the hope that, in the course of his meetings in Iran, issues related to the world of Islam and mutual relations will be studied and discussed.

The visit of the UAE delegation has a more political dimension, which, noting the situation in the region, can be regarded as important. From the commercial standpoint, the Islamic Republic of Iran's relation with the UAE consists more of the export of our traditional goods to the UAE such as internal produce, dried and fresh fruit--considering this country's economic structure.

Two weeks ago Commerce Minister Ja'fari, on his way back to Tehran, stopped over in the UAE. In Dubai, he met his UAE counterparts and held discussions with them. At this meeting, the expansion of economic cooperation and commercial exchanges between the two countries were negotiated and the UAE was invited to take part in the Tehran International Fair. Mutual economic cooperation is a sign of the warm political relations between the two countries after the victory of the Islamic Revolution of Iran.

The UAE, compared with the rest of the southern Persian Gulf littoral, has adopted a more objectively minded approach in its relations with our country. The officials in charge of that country have always welcomed an expansion of their relations with the Islamic Republic of Iran and they have desired the establishment of warm and sincere relations. The realistic approach of the officials of that country with the Islamic

Revolution of Iran has been an important element in the contacts between the two countries at the political level.

It is worth noting that the prestigious publications of that country have shown a more rational approach toward the Islamic Revolution in comparison with the publications of either countries of the Persian Gulf, and have used a more candid and decisive tone when discussing regional issues. The UAE is among the countries that has been less duped by the world arrogance's propaganda against the Islamic Republic of Iran, and it has tried, without the fuss and sensationalism of Zionist and imperialist propagandists, to have a friendly approach toward the Islamic Republic of Iran and to support it. The desire of that country to expand its relations with our country has always been an object of anger and scorn by Iraq, and terrorist conspiracies and even efforts to carry out a coup in that country in Shaykh Zayid's absence have been linked to the Aflaqite Iraqi regime.

In recent years the imperialist news network has tried to gather in the petrodollars of the countries of the Persian Gulf region for the benefit of Iraq, with the lie that the Islamic Republic of Iran has covetous intentions toward the shaykhdoms of the Persian Gulf, or that it intends to create political changes through intervention; even if today, the countries of the southern Persian Gulf has realized that these accusations were untrue, nevertheless the UAE is the only country in the region that was not influenced by such propaganda, and made efforts to expand its relations with our country in a realistic manner.

The Islamic Republic of Iran expected that, following the downfall of the Shah's regime in Iran, the countries of the southern Persian Gulf, in understanding of the new realities, would take steps to expand their relations, especially when these countries were continuously humiliated by the defunct Shah who took on himself the role of policing the region, and were counted as second-rate or third-rate countries. But, unfortunately, the policies of these countries has been unrealistic and sometimes childish. Following the adventurist measures taken by the Aflaqite regime in the waters of the Persian Gulf, and the self-possessed and at the same time strong policy of the Islamic Republic of Iran in its confrontation with these plots, the GCC countries at their sixth meeting in Muscat, contrary to their past sessions, moved toward a more realistic policy and called for contact and the establishment of sound relations with our country.

Mr Rashid al-Nu'aymi, who is now in Tehran, will discuss various political issues which relate more to regional affairs, with the officials of our country. Among the issues of interest that our country would want to discuss is the presence of alien forces in the Persian Gulf, and in some of the countries of the region. The Islamic Republic of Iran strongly opposes the presence of foreigners in Islamic territory and considers that the presence of arrogant forces in the region is contrary to the interests of the peoples of this region. If governments pay attention to the demands of their own people, and if they undertake to protect and guide them in order that they may move them toward progress and toward solving their problems, then they have no need for any foreign aid, and by attracting the support of their own people, they can overcome difficulties. Islamic countries, through cooperation and unanimity of views, can cope with their greatest problems and destroy the roots of Zionism in the region. The Islamic Republic of Iran, as a powerful Islamic country, can assist the countries of the region and of the world of Islam to solve their problems.

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CSO: 4640/134

HEZBOLLAH OFFICIAL REJECTS LEBANON AGREEMENT

LD302327 Tehran Domestic Service in Persian 1630 GMT 30 Dec 85

[Text] The joint Lebanese Hezbollah and Amal committee members left Tehran today for Lebanon after meetings and talks with our country's officials. They were seen off by a number of foreign ministry officials. Sayyid Ibrahim Amin, the representative of the Lebanese Hezbollah, in an interview with our correspondent before his departure from Tehran, stressed the unity of Muslims and welcomed the results of the visit, as well as the agreements reached with the Amal movement, thanks to the efforts and guidance provided by officials of the Islamic Republic of Iran. He described as necessary the continued activity of the joint committee to achieve unity of views among Muslim brothers.

He then turned to the tripartite agreement signed in Damascus between the Amal movement, the Druze, and the Lebanese forces. He noted the record of Elie Hubayqah, who represented the Lebanese forces. He said: Elie Hubayqah is one of the Israeli lackeys and the main agent of the massacre of Palestinians in the Sabra and Shatilah camps. The agreements signed in Damascus will only serve the interests of America in the region, and it will provide greater security and stability for Israel.

The representative of the Lebanese Hezbollah said: The agreements will deprive the Muslims and faithful in Lebanon of a valuable opportunity to confront Israel, and it will bring about numerous problems and difficulties. For this reason, we cannot come to agreement with those who have that sort of record in Lebanon nor sanction their agreements.

The representative of the Lebanese Amal movement also welcomed the attention given by officials of the Islamic Republic of Iran to Lebanese Muslims and expressed thanks and gratitude for Iran's efforts to serve Muslims, particularly Lebanese Muslims, and to bring about unity in their ranks. He said: Our objective throughout our struggle has been to eliminate factionalism, to bring about the spirit and sovereignty of Islam on the Lebanese arena. The Lebanese Government should be in the hands of Muslims within the framework of an Islamic system so that their dignity is preserved. For this reason, we shall support any plan that serves the majority of Lebanese Muslims and guarantees Islamic sovereignty. Any other plan running counter to that is condemned and will be opposed.

He added: At the moment we are looking with caution at the agreement, one party to which is Elie Hubayqah. He is not someone who can speak for all the Christians. For this reason, he cannot guarantee the implementation of such an agreement. We must carefully follow any agreement.

In conclusion, the representative of the Lebanese Amal movement said: We have come to the Islamic Republic to tell the enemy that there is no dispute between shi'ites. We also express our support for the Islamic Republic of Iran as a pioneering revolution. He also said: During the visit we reached joint and very fruitful agreements with our Lebanese Hezbollah brothers. This will herald a very hopeful future for the Muslims on the Lebanese arena.

/12858
CSO: 4640/135

IRAN

PAPER COMMENTS ON RELATIONS WITH USSR

GF301319 Tehran International Service in Arabic 0800 GMT 30 Dec 85

[From the press review]

[Text] In the opinion column and under the headline "What Does Radio Moscow Commentary Inspire?" the newspaper KEYHAN AL-'ARABI says: In its commentary on the means to be adopted in directing Soviet-Iranian relations, Radio Moscow indicated that the Soviet leaders are still keen to maintain good relations despite the political and ideological contradictions between the two countries. Yet the radio believes that there are many common and important denominators that could consolidate the existing relations. We, in the Islamic Republic of Iran, had referred to these common denominators and to the fact that there is nothing to impede maintaining good relations between Moscow and Tehran. However, we always believed that it is our right to demand that the Soviets prove their good intentions.

KEYHAN AL-'ARABI goes on to say: Despite the fact that officials have demonstrated relative satisfaction with the position the Kremlin was keen to convey through its ambassador in Tehran concerning restraint in dispatching sophisticated Soviet weapons which could gravely escalate the war Iraq has been waging.

We believe that the commentary carried by Radio Moscow failed, as usual, to refer to the duality which has distinguished the Soviet position toward the war and which has excluded what the Soviets usually refer to as illogical concerning the Iranian refusal to terminate the war before the elimination of the aggressor. This commentary will reinforce the belief that Moscow has reconsidered its view of the war.

The only thing the radio was keen to include in its commentary was the reference that the USSR might refuse efforts to impose ideological influence on the others by force. We believe that it is incumbent on us to tell the Soviets to prove it. If they have a belief that was not revealed by the radio commentary which states that Soviets' bitter experience in Afghanistan is considered an outcome of their ideological alliance with the Kabul regime, then it would be desirable if the Soviets ask themselves about the type of firm ideological relationships that link the Muslims of the world and of Afghanistan with the Islamic Republic of Iran.

Why then, do the Soviets still plan to exploit the war? This could be through the desire to prolong it with the aim of pressuring the Islamic Republic of Iran to abandon its principled position, which calls for granting the Muslim Afghan people their full freedom to determine their future by themselves.

/12858
CSO: 4604/20

QOM CENTRAL NEWS UNIT CRITICIZES BBC

GF010357 Tehran KEYHAN in Persian 19 Dec 85 p 20

[Text] Qom--The official in charge of the Central News Unit at Qom has stated that 2 nights ago the British Government's Persian radio news broadcast program was completely false.

During its 1945 [1615 GMT] Persian broadcast 2 days ago, while broadcasting its defective and distorted version of a statement issued by the office of Ayatollah Montazeri, Radio BBC claimed that there had been demonstrations in Qom against the election of Ayatollah Montazeri by the Council of Experts. While refuting this news report, the official in charge of the Central News Unit in Qom said: The demonstrations that took place in Qom on 11 December in front of the Qom Islamic Information Bureau were held by the Qom seminary students and people who favored the meritorious decision of the Council of Experts concerning the election of the high-ranking jurisconsult, grand Ayatollah Montazeri, to be the future leader of the Islamic ummah. During the course of these demonstrations, in a speech, one of the teachers of theology present at the scene applauded the election of the Grand Ayatollah Montazeri and expressed the support of the demonstrators for this election.

The official in charge of the Qom Central News Unit added: Broadcasting such lies and distorted news by radios like that of the BBC is known to all; there is nothing new in it. The Iranian Muslim ummah are fully aware of the intrinsic value of such news reports. The broadcasting of such false news is the best proof of the meritorious election by the Council of Experts and its effect on the Islamic revolution in the future.

/12858
CSO: 4640/133

AFGHAN REBELS' SUCCESSES ON OCCUPATION ANNIVERSARY CITED

LD271802 Tehran Domestic Service in Persian 1630 GMT 27 Dec 85

[Text] Afghan revolutionary Muslims, on the occasion of the 6th year of the occupation of Afghanistan and in spite of the severely cold weather, attacked the bases of the joint Afghan government and Soviet forces in various parts of that country. According to the report of the Central News Unit from Islamabad, in spite of the extensive security measures undertaken by the joint occupying and government forces in order to foil the operations of the Afghan revolutionary Muslims, the latter, in a successful attack against a base of the aggressor forces in the Khair Koh Region, situated in the province [as heard] of (Katwan), while killing 30 joint troops of this base, captured 45 soldiers of the Afghan government. In this attack, the revolutionary Muslims succeeded in taking as booty 120 Kalashnilov machineguns and some heavy weaponry.

According to reports received from Afghanistan, all the forces belonging to the Afghan government and to the occupying forces, at present, are in a state of total alert, and the bomber fighters and helicopters of the Afghanistan regime are patrolling the airspaces of sensitive spots of Kabol, Harat, Qazwain, Paktia, and Badakhshan.

Another report from the Province of Badakhshan, Afghanistan, states: Revolutionary Muslims, in an attack on one of the prisons of Babrak Karmal's regime, in this province, while killing 15 prison officials, succeeded in freeing 50 of their co-combatant colleagues.

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CSO: 4640/136

AFGHAN DEMONSTRATIONS AGAINST USSR REPORTED

LD271438 Tehran IRNA in English 1409 GMT 27 Dec 85

[Text] Tehran, Dec 27, IRNA--Tens of thousands of Afghan refugees residing here, held a massive march in city streets in protest to the Soviet occupation of Afghanistan, and expressed their indignation at the presence of the foreign troops in their Islamic homeland.

The demonstrators carried pictures of Imam Khomeyni, as well as Afghan resistance leaders and martyrs. According to IRNA reporters, the number of demonstrators this year was much higher compared with the previous years, and it was better organized.

A group of Shia, and Sunni Afghan theologians were seen among the demonstrators in a unified rank. An Afghan theologian leader told IRNA that this year, almost all the Afghan political groups participated in the rally.

The Afghan refugees also carried placards in condemnation of Soviet imperialism and in honor of Afghan martyrs. Others said the war will continue until the liberation of the Afghan land.

The march started from VALI-E Asr Square in central Tehran, and proceeded toward Tehran University where the Friday prayers was held. The demonstrators listened to speeches delivered to them by a number of Afghan theologians, and shouted slogans in condemnation of the occupation of their country by the Red Army.

A 13-point resolution was also passed and confirmed by the demonstrators at the end of the rally. The resolution pointed to the rightful demands of the Afghan nation, including unconditional withdrawal of the Soviet troops from their homeland, as well as discontinuation of Soviet bombardments and shellings of Afghan villages and civilian areas.

The Afghan nation, according to the resolution, is resolute to continue this jihad (holy war) "until the last drop of our blood." It also condemned any effort aimed at seeking "peaceful and political solutions" to the Afghan issue. The resolution also described U.S. claims of aiding the Afghan mujahideen as "imperialistic propaganda".

It also appreciated the Islamic Republic of Iran for its aid to and support of the Afghan nation.

Similar ceremonies were held on the occasion in other Iranian cities and elsewhere throughout the world.

/12858
CSO: 4600/163

MONTAZERI CABLES MUSLIM STUDENTS' SEMINAR IN U.S.

LD291302 Tehran IRNA in English 1200 GMT 29 Dec 85

[Text] Washington, Dec 29, IRNA--Ayatollah Hoseyn 'Ali Montazeri, in a message to the fourteenth cultural seminar of the Muslim Students Association (MSA) in America and Canada, opened in Louisiana, Sunday, said that behavior and conduct of members of the association was the best pattern for the Islamic revolution of Iran.

In another part of his message Ayatollah Montazeri urged the students to strive towards acquiring more knowledge and science and establish sound relations with those interested in Islam and the Islamic revolution. Through such ties, he added, not only vicious propaganda of the enemies of Islamic revolution would be counteracted but also those interested in Islam would be able to make use of experiences of the students.

The three-day seminar, held in two separate sessions one in English language for non-Iranian Muslim students and one in Persian for the Iranian students, opened with the participation of a large number of student members of the association and also Islamic scholars and professors.

The Friday prayers leader of the Al-Rasoul Mosque of California, Abdul Halim Musa, speaking in the English session of the seminar, referred to the hostility of Western governments, the U.S. in particular, with Islam and Muslims. He also called for unity of all Muslims in the United States.

In another part of his speech he talked about plots of capitalist systems against Islam and their efforts in distorting the Islamic ideology. He stressed the need for the establishment of a special educational [words indistinct] emphasized the need to fight against cultural decadence.

The next speaker of the session was the head of the London Islamic Institute, Kalim Seddiqui, who analyzed plots of the world arrogance in sowing discord among Muslims to crush Islam.

The editor of the Canada-based Crescent International, Zafar Bangash, also talked about the role of Western media in anti-Islamic propaganda. Western mass media, supported by Western governments, have been trying to mar the Islamic revolution of Iran, he told the seminar.

Meanwhile, in the Persian language session of the seminar various speakers talked about issues related to the Islamic revolution of Iran and stressed that the Iraqi-imposed war should be continued till the victory of the Iranian forces.

/12858
CSO: 4600/164

GOODS, SERVICES INDEX DROP 3.6 PERCENT IN JUN-JUL

Tehran BURS in Persian 14 Oct 85 p 2

[Text] According to the statistics issued by the Central Bank of the Islamic Republic of Iran, the price index of consumer goods and services for the urban areas of the country in the month of Tir 1364 [22 June - 22 July 1985] dropped 3.6 percent in comparison to the previous month. After deductions for seasonal fluctuations, this decrease in price index shows a 0.2 percent drop. Compared with the similar month of the previous year, the price index for consumer goods and services stands at a level 1.3 percent higher.

During the first four months of the current year, the median price index of consumer goods and services showed an increase of 3.6 percent over that of the similar period of last year. During the month of Tir of 1364, the price index for foodstuffs decreased about 10 percent. The sharp drop of 35 percent in the price of seasonal fresh fruits and vegetables and their abundance not only accounted for the major decrease in the index of foodstuffs but also was the most important factor in bringing down the price index of consumer goods and services throughout the country.

The price of solid vegetable shortening, which as a result of a high demand was artificially increased, also returned to its previous level. Similarly, the price index showed a 19 percent rise in animal fat and vegetable oil and among other foodstuff prices which were subject for indexing, the varieties of bread and rices had a moderate rise. However, the overall price of cereals remained unchanged. Furthermore, according to the same report, during the month of Tir of the current year the price of red meat and its seasonal consumption showed a slight drop, the same as that of tobacco products, which decreased 0.02 percent, while there was no change in the price of refined and lump sugar. Moreover, there was a decrease of one percent in the price index of housing and building materials while in contrast the wages of construction workers increased. It should be noted here that during the same period, the price index of miscellaneous goods and services showed a slight increase.

12719
CSO: 4640/120

GOODS, SERVICES INDEX INCREASE 5 PERCENT IN AUG-SEP

Tehran KEYHAN in Persian 2 Nov 85 p 21

[Text] Economic Service - According to the office of economic statistics of the Central Bank the price index of consumer goods and services in the urban areas of Iran during the month of Shahrivar 1364 [23 August - 22 September 1985] in comparison to the previous month increased 5 percent.

Compared with the same month of the previous year, this price index shows a 3 percent increase. Furthermore, the median price index of the first six months of the current year in comparison to the similar period of the previous year grew 3.2 percent.

The price index of the consumer goods and services, which usually is affected by the fluctuation of the index of foodstuffs during the abovementioned month, was totally affected by the increase in the price of non-consumer goods and services, although in the foodstuff group the price of some items such as rice, eggs, some dairy products, a few varieties of meat, fresh vegetables and restaurant foods showed an increase, yet the price of some other foodstuffs such as bread, animal and vegetable shortenings, tea, refined and lump sugar enjoyed a relative stability.

As a result of the seasonal decrease in the price of fresh fruits, cereals and the effect of the continuation of the annulment of the quota system of Tir cigarettes [domestic brand], the price index of aforementioned group helped decrease the price of imported cigarettes to a slight degree. At the same time the price of some clothing items, building materials and services, rent, private cars and spare parts and repair costs and the price of some household utensils and equipment, health care and treatment, gold and fresh seasonal flowers showed an increase accordingly.

The increase in exit-toll which is levied on people who leave the country, and which went into effect at the beginning of Shahrivar [23 August], has also helped to a certain degree to raise the index figure during the month in question.

In comparison to the last year's month of Shahrivar [23 August - 22 September], the index of clothing group of items had a one percent increase, that of building materials and services each had a 3 percent rise, home rent rose 12 percent, city transportation costs and that of travel, health and treatment all had a 9 percent increase. Similarly, the price index of entertainment and education each increased 13 percent while personal expenditures rose 16 percent and that of tobacco products increased 43 percent. At the same time, the price index of home furniture and other related commodities and services decreased 2 percent and that of gold coins dropped 8 percent while during the same period the index for foodstuff remained unchanged.

12719
CSO: 4640/124

PRICE OF FOODSTUFF IN TEHRAN ANNOUNCED

Tehran BURS in Persian 15 Oct 85 p 2

[Text] The statistics office of the Central Bank of the Islamic Republic of Iran presented a report to IRNA regarding the situation of some of the foodstuffs on a retail level in Tehran during the week ending on the 4th of October 1985. According to this report, during the week in question an increase in the supply of imported cheese showed there was a slight drop in its price. Similarly, the price of other dairy products decreased between 0.5 and one percent while the price of eggs remained unchanged. During the week in question the imported, rationed rice was distributed for sale to many official sale-centers at 100-rial per kilo--this showed an increase of 11.1 percent over a similar week of last year.

The price of domestic Sadri rice, first and second grade increased by 1.5 and 1.1 percent respectively. The price of most cereals showed a 0.5 to 10.9 percent drop. According to the same report, despite the increase in the supply of all the seasonal fruits during the week in question, their prices showed an increase of 0.1 to 10.8 percent. Among the fresh vegetables, the price of onions and potatoes increased 28.3 and 12.9 percent respectively, and at the same time the price of large-leaved vegetables each rose 0.2 percent; however the price of other related items indicated 4.3 to 10.5 percent drop.

Also during the week in question, poultry meat was not distributed at official government prices while there was a lack of adequate supply of mutton and beef at government prices at the city level. Further, there was no change in the price of varieties of rationed meat, and the price of mutton and beef on the free market increased by 0.4 and 0.7 percent respectively.

12719
CSO: 4640/120

CENTRAL BANK ISSUES WHOLESALE PRICE INDEX

Tehran KEYHAN in Persian 2 Nov 85 p 21

[Text] Economic Service - The office of economic statistics of the Central Bank issued a brief report pertaining to the month of Shahrivar 1364 [23 August - 22 September 1985] concerning the wholesale price index of goods in Iran.

According to this report, the wholesale price index of goods in Iran during the above-stated month increased one percent in comparison to the previous month.

Compared with the relevant figure in the month of Shahrivar of the previous year, this index shows an increase of 5.7 percent. The median wholesale price index of goods in Iran during the first six months of the current year increased four percent as compared with the similar period of the previous year.

This report also indicates that the official price increase of cotton-seed and cotton-pod occupied the major portion in the wholesale price index increase during the said month. In the meantime, the price of wheat flour, dairy products, dried fruits, fresh vegetables, olives, cement products, cotton and woolen fabrics, clothing, paper and cardboard, varieties of lace, hasps and staples also increased while the price of rice [as a result of a new supply], cereals, fresh fruits [except citrus], carpeting, lumber and multi-ply boards has a slight decrease which helped adjust or moderate the price of the abovementioned items.

In comparison with the same month of last year, the wholesale price index of foodstuffs and live animals, basic metals and metal products each rose about 4 percent. Likewise, there was an increase of 39 percent in the wholesale price index of raw industrial materials, that of tobacco products and alcoholic beverages 48 percent, mineral materials 5 percent, hide and leather products 28 percent, lumber 11 percent, paper and cardboard 7 percent, machinery and transportation vehicles 3 percent, agricultural and animal products 9 percent, and building materials showed an 8 percent increase over the similar month [23 August - 22 September] of last year.

Meanwhile, the price index of mineral fuels and products, chemical and petrochemical products, textiles, clothing and tires all enjoyed a relative stability and they did not have an appreciable change in comparison to the similar month of the previous year.

12719/12223
CSO: 4640/124

IRAN

MORE NON-OIL PRODUCTS EXPORTED TO IRELAND

Tehran BURS in Persian 16 Oct 85 pp 1-2

[Text] Dr Zali, our country's minister of agriculture who at the head of an economic delegation had travelled to Ireland at the invitation of the agriculture minister of that country returned to Tehran. In an interview with the correspondent of the IRNA in London before his departure, Dr Zali stated: The total amount of commercial transactions between the Islamic Republic of Iran and Southern Ireland, which mainly cover the areas of agriculture and animal husbandry, is equivalent to 60 million pounds annually which is relatively on the increase.

Some of the commodities include meat, dry milk, barley and animal medicine. At present, a large quantity of animal meat is prepared in Ireland annually according to the Islamic slaughter rules and exported to Iran. As regards the proper control and supervision of the slaughter of the animals according to the Islamic rules, a delegation from the Meat Organization of our country travels each year to Southern Ireland's two main meat preparation centers. It should be noted here that the two meat preparation centers in Southern Ireland have, as requested by the Islamic Republic, precisely changed their slaughtering system to meet the Islamic slaughter rules and with due supervision by our country's responsible officials the animals are slaughtered and the meat is thus exported to Iran.

According to Mr Zali, based on the agreements, non-oil commodities from Iran will be exported to Southern Ireland. Furthermore, regarding the exchange of specialists and students in the field of agriculture, certain negotiations have been carried out which will be put into action in the future. Mr Zali and other members of the delegation, who were warmly received by the Southern Ireland authorities, visited various agricultural and research centers of that country, and on an extensive basis discussed the relations between the two countries with the high-ranking officials of Ireland. As regards relations between Iran and Ireland, Mr Zali stated that during recent years relations between the two countries have relatively expanded and an Islamic Republic embassy has been established in Dublin and similarly the authorities of that country have expressed their willingness to expand relations between the two nations.

12719
CSO: 4640/124

KHAMENE'I ADDRESSES KARBALA' MARCHERS

LD281435 Tehran Domestic Service in Persian 1030 GMT 28 Dec 85

[Excerpt] Ceremonies were held on the occasion of the departure of more than 7,000 volunteer forces from Mazendaran Province more than 2,000 volunteer forces from Semnan Province. Included were a party of Friday prayer leaders, various groups from these two provinces forming the Karbala' marchers, and 5,000 Karbala' pilgrims from the respected families of POW's, the missing, martyrs and combatants, who are setting off for the battlefronts of war, today, amid the combatants of Islam resounding cries: "War, war until victory", and "Death to America." Present was Seyyed 'Ali Khamene'i, president and chairman of the Supreme Defense Council, along with 12,000 others in the Liberation Stadium.

The chairman of the Supreme Defense Council in this gathering in the course of some remarks referred to the analytic power of the people and the political awareness of the Hezbollah ummah. He said that today, from around this vast human ocean, waves of self-sacrificing people who knows no limits to Islamic boundaries, and regions, from the north, south, west and east of the country, springing from all strata and from all communities, Shi'a and Sunnis, rural and urban inhabitants, are on the move like a tumultuous wave. They are going, so that with the power of their own hands, they may hoist the flag of the Islamic Republic--the flag of the Koran and of Islam--in their own territory and their own history in such a way that no storm whatsoever can shake it in the future.

The chairman of the Supreme Defense Council stressed that your alert movement in the Karbala' convoys has altered all the equations. Your presence, steadfast and determined, brave and happy in the Karbala' convoys has made the Iraqi regime to lose morale. Today constitutes that sensitive and destiny-determining moment which has been envisaged throughout the war because today, all the objective governments, and regimes who want to do good, that until today they supported Iraq without any reason. By the grace of God, Iraq is feeling weak on the international scene, and today is that same day that you must deliver your blow all the more stronger.

/12858
CSO: 4640/137

EMIGRE PAPER: 27 PARTICIPANTS OF U.S. EMBASSY TAKEOVER KILLED

London KEYHAN in Persian 5 Dec 85 p 5

[London KEYHAN weekly in Persian; founder and publisher Dr mesbahzadeh]

[Text] It seems as if the Islamic Republic is burying the secrets of the U.S. embassy hostage-taking. On the sixth anniversary of the U.S. embassy takeover in Tehran, the newspapers of the Islamic Republic are reporting the news about the death or mysterious disappearance of nearly half of the individuals who entered that embassy as the students who follow the line of the imam.

Most of these students were members of the Students' Islamic Societies in Tehran and other cities of Iran. About 12 women and young ladies were also among this group who left the embassy at the early stages of the takeover. In the following days some other groups were also driven out of the embassy, among them one can name Dr Peyman and his student-followers, who published "OMAT" newspaper. After Hojjat ol-Eslam Kho'iniha joined the group which had occupied the embassy and took charge of the students, the purging of the occupiers intensified, so much so that after two weeks about 40 persons from the original group were left in the embassy and were joined later by a group of guards and military personnel.

After the adventure was over, the students following the line of the imam joined various organs of the Islamic Republic. Some were employed by the Guards Corps, some became governors and lieutenant-governors of various cities and during the past couple of years some moved up to become deputy minister of various ministries. Nevertheless, the Islamic Republic did not allow any of these students to leave the country. Only one of those students from Shiraz University who had joined the occupying group was able, under certain pretext to leave the country and go abroad to continue his education.

This student who was previously working in the Tribal Affairs Foundation, while he was still busy continuing his studies was called back home and had to return.

In various newspapers of the Islamic Republic the names of 27 of these students whose names have been introduced after their death are printed. These former students who were members of the occupying group have been either killed at the Iran-Iraq battlefronts, at the hands of the political groups or they've mysteriously disappeared.

From among the 27 persons, the faces of Mehdi Rajab-Bigi and Hasan Seyf were among the more familiar ones. These two individuals were the ones who during the hostage-taking incident were responsible for interviews with radio and TV and also they were the ones who were in charge of talking with the hostages. Mehdi Rajab-Bigi, who later became a member of the Central Council of the Construction Jihad and Cultural Revolution Council, was killed by the political groups and as usual his murder was attributed to the agents of the United States and Hasan Seyf who also became responsible for military training of the Guards Corps was killed in an operation called Kheybar.

From among this group of students, who became known as the followers of the line of the imam, at the present time one group is busy with the job of putting the captured documents together--which seems to be quite a lengthy job--and whenever the Islamic Republic senses danger from an individual or some individuals, it suddenly circulates a new document in which the name of that single person or those several other persons happen to be included.

In this regard, another issue which still could arouse interest is the translation of the documents and protocols which were known as the Algerian agreement which are being translated page by page in one of the conference halls of the IRNA so that the ayatollahs will be able to read the Persian text and know the details and accordingly issue the pertinent order. One of the old-timer translators who had been invited to participate in the translation of these documents believes that if the work of translation goes on the same way as it has so far, it will take four or five more years before the translation of this voluminous document is completed. Thereafter, it will be forwarded to international forums such as the Hague Tribunal for proper investigation. Until then will any of the original actors of the play--who were present from the very first moment in the American Embassy--be alive to see the result of his own action or will they be eliminated from the scene by being dispatched to the war fronts or by some other mysterious fashion and thus the secrets of all these operations will be buried forever?

List of the Names of the Students Following the Line of the Imam who Have Been Killed:

No.	Name of Martyr	Course of Study	University	Organ of Activity	Name of Operation	Place of martyrdom
1	Seyyed Hosey Mir-Soltani	Chemical Engineering	Sharif Industrial	Guards Corps	Liberation of Susangerd	Susangerd
2	Mohammad Fazel	Industries	"	Reconst. Jihad, Guards Corps	"	Hoveyzeh

No.	Name of Martyr	Course of Study	University	Organ of Activity	Name of Operation	Place of martyrdom
3	Mohsen Vezarati	Chemistry	Sharif Industrial	Guards Corps, Cmdr of Mohammad Rasul Ollah Brigade	Jerusalem	Khorramshahr front
4	Behruz Soltani	Industries	"	Central HQ, Guards Corps	"	"
5	Majid Mo'azen Safa'i	"	"	Central HQ, Ministry of Foreign Affairs Corps	"	"
6	Mohammad Pesaran Behbahani	Manufacturing	"	Guards Corps, 10th Region	Val-Fajr	Kanimangah
7	Ali Saburi	Mines	Polytechnic	In charge of Combat Eng. Operation of a Division	Kheybar	Talayeh
8	Ali Hadipur	"	"	Central HQ, Guards Corps	Val-Fajr	Jonubfakeh
9	Haj Gholam-Hoseyn Soltani	Civil Engineering	"	Cmdr of Susangerd Corps	"	"
10	Jalil Sharqi	Mechanica	"	Guards Corps	"	Tappeh-Siah Fortress
11	Hasan Seyf	Electricity	"	In charge of Military Training of Ali's Garrison	Kheybar	Talayeh
12	Haj Abbas Varamini	Labor College	Tehran	Deputy Cmdr of Mohammad's Div.	Val-Fajr	Panjvin
13	Mehdi Rajab-Bigi	Civil Engineering	Polytechnic	Jihad Central Council, Train- & Education	-	Killed by US agents
14	Hushang (Sadeq) Tarkashvand	Arab Literature	Tehran	Jihad University, College of Letters	Kheybar	Majnun Island

No.	Name of Martyr	Course of Study	University	Organ of Activity	Name of Operation	Place of martyrdom
15	Mohammad-Hoseyn Bahaderi-Far	Physics	Martyr Beheshti (Melli)	HQ, Den of Espionage Documents	Fat-hol-Mobin	Mysteriously disappeared
16	Ali Hatami	Veterinary	Tehran	Reconst. Crusade	-	Hoveyzeh
17	Mohsen Mandegar	Metallurgy	Sharif Industrial	7-member Council of Land Transfer	-	-
18	Jamal Mir Amir-Khani	Electricity	"	-	Jerusalem	Khorramshahr
19	Nasser Fuladi	Metallurgy	"	-	-	-
20	Hoseyn Shavideh	Mechanics	"	Central Council, Reconst. Crusade	-	-
21	Seyyed Ahmad Kadkhoda-Zadeh	Mines	Polytechnic	-	-	-
22	Assadollah Shirani	Computer	Tehran	Guards Corps	Ramazan	-
23	Seyyed Ahmad Rahimi	Medicine	"	Cmdr, Birjand Corps	-	-
24	Fereydun Sadri	Mechanics	Shiraz	-	-	-
25	Fazlollah Abedini	Pharmaceutical	Tehran	Guards Corps	-	Susangerd
26	Mohammad Bulvardi	Physics	Sharif Industrial	Islamic Revolution, Prosecution Office	-	Mysteriously disappeared
27	Habib Baradaran-Tavakoli	Medicine	Tehran	-	-	-

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CSO: 4640/97

IRAN

OPPOSITION PAPER ANALYZES STATE OF AFFAIRS, 'FINAL BATTLE'

London KEYHAN in Persian 28 Nov 85 pp 1,14

[London KEYHAN weekly in Persian; founder and publisher Dr. Mesbahzadeh]

[Text] Has the last power struggle begun in the Imam's inner sanctum?

Considering the recent events in Tehran, the answer to this question could be positive.

The Islamic Revolution started out as the coalition of the Red and Black forces. Then, in the after-math of Bani-Sadr's impeachment and annihilation of his allies, the Mojahedin, it took the shape of a club whose members were the turbaned and unturbaned mullahs, more or less attached to the Imam.

It could be said that the exclusive ruling power in revolution-stricken Iran has, in the past four years or so, been kept in the house of the Imam.

Presently, a struggle for power is in progress in the house of the Imam. Two major factions may be identified as the main warring camps in this struggle: First, mullahs who have been successful in gathering substantial wealth during the past six years of lawlessness and turmoil. These and their turbanless counterparts presently form the main urban capitalist strata of the Iranian society. To clarify and demonstrate the dimensions of this issue, it is enough to point out that the Iranian oil revenues from the time of the late Shah's departure until today has amounted to approximately 120 billion dollars. This is 20 billion dollars more than Iran's total earned revenues from the time of the signing of the Darsi contract until the start of the Islamic Revolution.

Where has all this money gone?

It is obvious that part of it has been spent on purchasing weapons, food and other essential goods and services. Arms merchants, hoarders, official and unofficial smugglers, go-betweens and other economic parasites have been the beneficiaries of this wealth.

These and their turbaned partners are now a political force. The so-called group of liberal mullahs who, despite their differences, have been united and hope to attract merchants, industrialists, managers, experts and in a broader sense, all those who can improve the economy of the country. These liberal mullahs are trying to form a new socio-political base for the faltering Islamic regime. They are aware of the fact that the Islamic Republic, in its present form, is finished. Their goal is to ensure the continuation of the Islamic Republic by normalizing the political conditions, putting an end to international isolation and bringing about the security suitable for investments and economic activities.

The second participant in the power struggle is the group that seeks exclusive power in its own right. This group believes that the Islamic Republic cannot survive without the continuation of the revolutionary fervor among its zealot followers, whose numbers have dwindled rapidly. Members of this group are now talking about the third wave of the revolution and reminiscing of the days of the second wave which began by the seizure of the U.S. Embassy, giving a new life to the revolution.

They believe that the revolutionary mood can be maintained only by the continuations of political and social turmoil.

The seizure of the U.S. Embassy, the start of the Iran-Iraq War, the expulsion of Bani-Sadr and the rooting out of urban guerrillas were all tools to keep up the fever of the revolution. This fever, due to the passage of time and inevitable failures of the Islamic regime, has been dropping rapidly. Iran, after the fever, cannot be controlled by adventurous mullahs who mostly have suspicious pasts and connections.

Ayatollah Khomeyni, who is trying to act as a stabilizing force, surely knows that his condemned regime is the loser under both these conditions. This latest power struggle has truly confused the aged ayatollah. Last month in a short speech, he defended the economic views of the conservatives and presented himself as the speaker for the private sector and the bazaar. This month, with a 180 degree turn-around, he has adopted a Leninist posture. It is interesting that Khomeyni suddenly denounces the views of 'Ali [son-in-law and cousin of the Prophet] which has been reflected in his letters to Malik El-Ashtar [Governor of Egypt] by claiming that these views are of a political nature and not religious. In other words, the man whose claim once was that in Islam, politics and religion are inseparable, has not placed himself on the other side of the "theocratic rule" position.

Khomenyi's statements are proof that "theocracy" is nothing but a hollow drum of rhetoric that, when deemed necessary, will even be undermined by its founder.

Some analysts have tried to paint a more important picture of the most recent power struggle among mullahs than really exists. We believe that this new turmoil should not be ignored and the mullahs of either camp are not to be expected to find a solution for the multitude of problems facing the Iran of today.

In this respect, the role of industrialists and in general, past and present operators of the Iranian economy can be of utmost importance. If they enter the scene one-by-one and without adhering to a single acceptable political and social framework, they ultimately will join the ranks of the liberal mullahs and their faith will be the same as "the chicken in the wedding or the wake" [dead either way]. On the contrary, if they realize that their economic, financial, technical and scientific might can and should take on a political shape, then new horizons in pulling the country out of the present dead-lock will take shape.

At this point in time, a few things are evident: First, the system of "theocratic rule" is practically dead and its resurrection is all but impossible. It was widely believed that the death of "theocracy" will come about with the death of Khomeyni himself, but now we see that despite selection of a successor for him, even deputies of the Majlis can scorn the "rule of theocracy."

Second, neither of the two sides in this struggle have a solution for the problems of Iran. Victory of those who advocate "Islamic capitalism" may turn the collapse of the regime into an eventual metamorphesis while the victory of "Islamic Marxists" will turn the country into a blood bath. Inviting the "oppressed" to confiscate the wealth of the "arrogant" is not a difficult task.

Even a stupid mullah like Khoe'niha is capable of doing this. The real difficulty is the management of the fallouts resulting from such policy.

"It may be easy to ride a tiger, but it will not be as easy to get off."

Third, progressive and constitutional monarchists are the only viable force capable of providing solutions and to produce the leadership needed for the transfer of power. However, these forces should not mistake their inevitable power, which is merely a momentum, with active power. Immature optimism can be as fatal as unjustified disappointment.

What is needed now is an objective and multi-dimensional assessment of the present conditions prevailing in the country.

Based on such analysis, the progressive and constitutional monarchist forces can and should be united at least in the primary stage of overthrowing the Islamic regime and the subsequent transfer of power. Idiological unity is in no way a prerequisite for unity in action. Realization of common interests is quite adequate. Only with conserted efforts can positions evacuated by the regime, under pressure, to be overtaken.

Taking power is not an act that can be done with a single miraculous move. It is eventual, step by step and trench by trench.

Nearly seven years ago, the former Iranian regime backed off trench by trench merely by abstaining from fighting and the forces of the "Imam" moved forward step by step. Now is the time for the Islamic Republic to back off and inevitably lose the intellectual, political, sociological, organizational, bureaucratic and propaganda trenches. Those who want and must conquer these positions cannot afford to squabble amongst themselves.

Today, despite all the pains and agonies prevailing in our Iran, hopeful news is reaching out. Will the political and social leaders of the opposition to the Islamic Republic be capable of understanding the true meaning of these messages and have the humility necessary for the historic act of mapping out the path for the liberation of the Iranian people?

We hope the answer to this question is positive in action.

13182/9435
CSO: 4640/83

BRIEFS

PAPER ON KHOMEYNI'S ILLNESS--Melbourne (JANG Foreign Desk)--The revolution leader of Iran, Ayatollah Khomeyni, is suffering from palsy in his hands. According to news reports, a party of foreign physicians is treating him. The palsy is in its initial stage but the physicians do not say anything convincing about the possibility of the recovery of his health. /Text/ /Lahore JANG in Urdu 22 Dec 85 p 1 GF/ 12228

THEOLOGIAN URGES RELEASE OF CAPTIVES--Beirut, Dec 28, IRNA--The Friday prayers leader of Imam Reza (AS) Mosque in southern Lebanon, [Allamah] Muhammad Husayn Fadhlallah, in his sermon, urged the Lebanese Christians to unite with Muslims to crush the Zionist enemy. Further in his speech he said that Lebanese crisis would be solved through an all out struggle against the Zionist regime. Referring to the situation of those kidnapped and missing in Lebanon, he condemned kidnapping and called for the release of all those abducted. Further on the same subject, he said that while world media had given an extensive coverage to the kidnapping of foreigners in Lebanon, there was no mention of the Iranian citizens who have also been kidnapped in that country. He urged the kidnappers to free their captives on the occasion of the new Christian year. Meanwhile Shaykh 'Abd al-Amir Qabalan, speaking in the Friday prayers of Imam Husayn (AS) Mosque on Borj al Barajneh, southern Lebanon, said that Muslim people of southern Lebanon, that in addition to those Muslims who have been massacred and tortured, a large number of them were missing and captive and there is no information on their whereabouts. [Text] [Tehran IRNA in English 1104 GMT 28 Dec 85 LD] /12858

KHAMENE'I TO VISIT ASIAN, AFRICAN COUNTRIES--Tehran, Dec 28, IRNA--President 'Ali Khamene'i is to visit several yet unspecified Asian and African countries in the near future, said informed sources here Saturday. The visit will be in response to invitations extended by the heads of states of these countries to President Khamene'i. Political analysts have termed the visits "important". In September 1984 the president of Iran led a high-ranking delegation to member countries of the steadfastness front Syria, Libya and Algeria. This time, too, the president's Afro-Asian tour will be in accord with Iran's long-standing policy of promoting cordial and far-reaching ties with Muslim and Third World countries. [Text] [Tehran IRNA in English 1805 GMT 28 Dec 85 LD] /12858

LARGE MINE EXCAVATED--Excavation on the Chador-Melo iron ore mine in Yazd Province has been completed. The mine, which is the biggest discovered known iron mine in Iran, is expected to produce 400 million tons of iron ore, of which 58 percent is pure iron ore, 92 percent phosphate, and .175 percent sulphur. According to primary findings the concentrated iron ore taken from this mine can be used by itself in the steel industries. Its derivatives can also be used in various stages of the steel industries, petrochemical industries, and in the production of chemical fertilizers. /Summary/ /Tehran Domestic Service in Persian 0430 GMT 18 Dec 85 GF/ 12228

GOODS, SERVICES INDEX FOR JUL-AUG--The price index for consumer goods and services in the urban areas of Iran for the month of Mordad 1364 [23 July - 22 August 1985] in comparison to the previous month decreased 0.9 percent. This index shows a two percent increase over that of the similar period of last year. According to IRNA as quoted from the publication of the statistics office of the Central Bank of the Islamic Republic of Iran, the price index of major foodstuffs, which was affected by a drop in the price of fresh fruits and vegetables, dropped nearly 3 percent. As indicated by the same report, as a result of a new supply, the price of most cereals took a downward slope, however the index of dairy products and eggs--which increased in price--caused an increase of about 2 percent in the price of milk, cheese and curdled or coagulated milk. Likewise, the same report indicates that the price index of tobacco products showed a 2 percent drop and among non-foodstuff items, the price of most clothing items followed a slight drop. [Text] [Tehran BURS in Persian 15 Oct 85 p 2] 12719

CSO: 4640/120

JUNEJO, YAQUB KHAN SPEAK ON FOREIGN POLICY

BK291202 Karachi Domestic Service in English 1700 GMT 28 Dec 85

[Excerpts] The Prime Minister, Mr Mohammad Khan Junejo, told the joint session of parliament--Majlis-i-Shoora--in Islamabad today that his government will continue to strive with honesty and sincerity to see that Pakistan's foreign policy corresponds to the feelings and sentiments of the people and maintains the ideological identity of the country. Speaking at the end of the 5-day debate on the foreign policy, the prime minister declared that his government was the elected government of the people and its foreign policy corresponds with their aspirations. He assured the 90 million people of Pakistan that his government will not undertake any step which did not enjoy the acceptance and support of the people.

The prime minister said we cannot lose sight of the fundamental fact that Pakistan was not merely a geographical but also an ideological entity and was the realization of the Allahma Iqbal's [Pakistani poet] dream about the bright future of the ummah [community] and was achieved under the leadership of Quid-e-azam Mohammad Ali Jinnah. Its future was, therefore, inseparably linked with the Islamic ideology and no policy, whether internal or external, political or economic, could ignore this fact.

The prime minister pointed out that Pakistan had always pursued an unambiguous policy in regard to the Islamic world and espoused the cause of the Muslim nations from every platform. This includes the question of restitution of the legitimate rights of the Palestinians and return of our Afghan brothers to their home. It had demanded an immediate end to the injustices and exploitation to which Muslims have been subjected. He declared that Pakistan will continue all possible efforts in this regard and expand its relations with Islamic world.

About Pakistan's relations with China, the prime minister recalled that while the members have expressed opposing views on a number of issues, on the subject of relations with China all members had remained unanimous in their views and statements. He said tremendous tributes have been paid to China for strong, stable, and worthy friendship with Pakistan. He recalled that China had stood by Pakistan in every test and had given its all possible assistance. Pakistan was proud of its friendship with China. It was for this reason that after assuming office as prime minister he had decided to undertake his first foreign tour to China.

The prime minister emphasized that his talks with the Chinese leaders had convinced him that Pakistan-China friendship was not only in the interest of the two countries but was also a guarantee for peace and security of the region.

On Afghanistan, the prime minister referred to the wide ranging comments made by members in their speeches and said they could not ignore the Soviet military intervention in our neighboring Muslim state of Afghanistan. It had not only brought untold miseries to the people of Afghanistan and forced one-third of its population to take refuge in Pakistan and Iran, but has posed a serious danger to the security and stability of the whole region, especially Pakistan.

The prime minister underlined the justness of Pakistan's stand on the Afghanistan question and said the support of 122 UN members was ample proof of the world community for this stand.

Referring to the indirect talks on Afghanistan in Geneva, the prime minister said there was no justification for the insistence of other side for direct negotiations on the withdrawal of foreign forces from Afghanistan. He said the debate in house would have convinced the Soviet Union and the Karmal regime that the people of Pakistan were united in the demand for the return of Soviet forces from Afghanistan. He declared that if the Soviet Union was really prepared to withdraw its forces from Afghanistan, Pakistan too will fulfill its obligations.

On Pakistan's relations with the United States, the prime minister said these had gone through ups and downs, but had on the whole been mutually beneficial. He said the United States endorsement of Pakistan's stand on Afghanistan, as well as its assistance had been a source of strength for Pakistan's independence and stability. He said his government viewed this policy of the United States with appreciation and desired to further strengthen mutual cooperation with it on the basis of principles. He, however, assured the house and the people of Pakistan that the government would keep the interest of the country and the nation uppermost.

About relations with India, he said his government would further endeavor to improve relations with India and make sincere efforts for the process of the negotiations between the two countries on issues awaiting settlement in the wake of President Mohammad Ziaul Haq's meeting with the Indian Prime Minister, Mr Rajiv Gandhi, on the 17th of this month. Trade and economic cooperation, he added, would be conducted on the basis of mutuality of benefits and the government will fully protect Pakistan's industry. He said Pakistan had neither accepted one sided trade in the past, nor will it do in future. The government, he added, would not compromise on principles.

Referring to question of Jammu and Kashmir, the prime minister said Pakistan fully expects that improvement of relations with India would create an atmosphere for the just settlement of this question. Pakistan, he said, abides by the resolutions of the United Nations and Simla Agreement. He expressed his belief that the solution of Kashmir issue would further widen the path toward peace and mutual cooperation.

The prime minister's speech was applauded with repeated thumping of desks.

Winding up the debate on the foreign policy, the Foreign Minister, Sahabzada Yaqub Khan, explained its genesis and said it had to be rooted to the country's basic and permanent interests, in the particular, geopolitical and ideological situation.

About the suggestions by the members that the foreign policy should be active rather than reactive to events, he said the distinction between the two was clearly artificial. He pointed out that Pakistan had not been responsible for many of the events around it, including the Afghanistan problem, but it had to react to them when they took place.

About the demand that Pakistan's foreign policy should be based on equidistance from the two superpowers, he pointed out that out of the 104 countries who are now members of the Nonaligned Movement, only 4 or 5 could be identified as maintaining equidistance from the superpowers. The majority of them were leaning in one direction or the other. He emphasized that nonalignment was essentially the desire of a country not to allow itself to be used as an instrument by one power or the other.

He said Pakistan-American relations now have entered a new and maturer relationship which was based on reality. He said it was clear that the interests of the country were (?converging). He made it clear that this new relationship did not make Pakistan an instrument of American policy on Afghanistan. Pakistan's stand on Afghanistan was spelt out 2 years before the signing of an agreement for assistance between the two countries. He said relations with the United States will not make any difference on Al Qud, Palestine, nuclear policy, friendship with Iran, and Third World issues. He said our defense is our own responsibility and we cannot rely on a total security guarantee from any other country.

After the prime minister's speech, a motion moved by Hazi Shaifullah Khan saying that the views and suggestions by the members of parliament during the discussion of the country's foreign policy be presented to the government for consideration was adopted by the house. The house has now adjourned to meet on Monday morning at 0930 [0330 GMT].

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CSO: 4600/158

PAKISTAN

MINISTER OUTLINES FOREIGN POLICY TO PARLIAMENT

BK280904 Karachi Domestic Service in English 1700 GMT 27 Dec 85

[Excerpt] The joint session of parliament continued its debate on the foreign policy in Islamabad this evening on the 4th day. Taking part in the debate, the Federal Finance Minister, Dr Mahbubul Haq, said that maturity had been the hallmark of Pakistan's foreign policy during the recent years. Referring to the Afghanistan problem, he said there was no [word indistinct] solution available to this problem. About the suggestions for direct talks and for the recognition of the Karmal regime, he said it could have been possible for Pakistan had the Soviet troops left that country. Pakistan could recognize any regime elected by the people of that country after the withdrawal of foreign troops.

Dr Mahbubul Haq said one of the best developments for a long time had been the positive turn in Pakistan's relations with India. It was time for us to bury the harvest of bitterness and cultivate a new harvest of hope not only with India but with the countries of the South Asian region. He dispelled fears that as a result of closeness in relations India was going to overwhelm Pakistan economically. The economic package he was going to discuss with his Indian counterpart next month would make sure that every industry and every business activity in the country was fully protected and there was no disruption whatsoever in any talk of its economic life. He would also ensure that extra benefits flowed to the people of Pakistan out of the agreement they would conclude. He assured the members that once they had been through these negotiations they would take this house into full confidence on the matter.

He referred to the suggestions made by some members to get rid of foreign loans and said these loans had in fact greatly strengthened the economic structure of the country. He said as a result of the [word indistinct] they had received from their friends, Pakistan was finding itself in a position of strength rather than a position of weakness or subservience in its relations with its neighbors in Asia. Its defense capabilities had been buttressed, giving it a new respect in Asia. It had the highest per capita income in the whole of the South Asia. It was now in a position to offer economic assistance to some of its friends and allies in the SARC [South Asian Association for Regional Cooperation] region.

He said this military and economic strength had been built by the hard work and toil of our masses and pragmatic policies of the government. But he reminded the members that they had also been due to the military and economic assistance given by the United States to Pakistan. He assured the members that while accepting this assistance, Pakistan had not for a moment compromised on principles to ensure its sovereignty and equality of its relationship with the United States.

Referring to the Middle East, he said Pakistan had played a constructive role in bringing unity in the ranks of the Arab world by bringing Egypt in the fold of ICO [Islamic Conference Organization].

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CSO: 4600/158

INDO-U.S. COLLUSION ALLEGED IN 'BOMB CAMPAIGN' AGAINST PAKISTAN

Karachi JANG in Urdu 9 Nov 85 pp 3, 14

[Text] The well-thought-out campaign that Indian Prime Minster Mr Rajiv Gandhi began against the Pakistani nuclear program a few months ago has reached its zenith. In 1971, India used the issues of violation of human rights and refugees to make Pakistan look guilty in the eyes of world public opinion. Our friends were put in a difficult spot and, despite their desire to help us, they were afraid to come out on our side. This is the wonder of political governments that in any situation they find ways to attain their national interests. In 1971, India played the card of refugees coming from East Pakistan very expertly and now it has raised the bogey of the Pakistan atomic program with so much success that Pakistan is left with no alternative but to resort to explanations. We know the weaknesses of nonpolitical regimes. In 1971, Pakistan was the country from which refugees had left. Within 9 months, India had not only inflicted a military defeat on Pakistan but also washed its hands of responsibility for the refugees. Against this, in 1978, Pakistan became the host to refugees. Six years have passed, and we have neither sent the refugees back nor have we taught a lesson to Afghanistan. If today Kabul has the backing of the Soviet Union, then in 1971 Yahya Khan, too, claimed the support of America. Even today we swear by the pro-Pakistani attitude of Nixon and Kissinger. To this day it is not known what they accomplished. War on the western front was stopped following a call from Brezhnev, and East Pakistan had been occupied by India. Meanwhile, America is our friend, and the blessings of our nonpolitical regimes amount to this. If, as in 1971, refugees go from our country, we are punished and if, as in 1978, refugees come to our country, we are still punished.

The atomic argument has now reached a critical stage. The fact is that with its 1974 atomic test, India has acquired the capability of making a bomb. But it has made such an issue of the Pakistan atomic bomb, of which there is not a trace, that even our best friend, America, is afraid of coming to our side, and our tested and tried friend, China, thinks it best to take refuge in silence. Our loneliness in the world on the subject of an atomic program is no different than our loneliness in 1971 on the issue of refugees. At that time, too, America agreed on the seriousness of the problem and the Indian wishes to resolve it. Only over the means there was a difference of opinion. Today, too, America shares the Indian concern over the Pakistan atomic bomb and both are agreed that Pakistan should be prevented from building the supposed atomic bomb. In 1971, too, friends of Pakistan were reluctant to support us on the question of violation of human rights and today, too, they find themselves helpless in supporting us on the issue of building an atom bomb. So far as there is the question of making an atom bomb, the people of Pakistan are under no illusions. This nation has suffered a great tragedy. It knows full well the complete story of the reprocessing plant and the nature of the present regime. Why would a government that has made the offer of a friendship pact to India build an atom bomb? What are the reasons for doubting President Zial Haq's statement that Pakistan is not building an atom bomb? America, as well as India, knows full well that Pakistan's atomic program is only for peaceful purposes. THE NEW YORK TIMES wrote only last week: "Officials of the Reagan administration have privately admitted that they do not believe that Pakistan is making an atomic bomb." Despite all this, why is this campaign going on? The answer to this question can be obtained only by analyzing the respective interests of India and America.

India is reaping immense advantage from the atom bomb campaign. Notable among these are: 1) A Pakistani atomic program is a stick with which America is continuously being beaten. Public opinion in America, as well as in western Europe, is being mobilized against the so-called Reagan administration's policy of tilt towards Pakistan, especially the Jewish lobby that supports Israel. As a result, the Reagan administration has been put on the defensive, and it is obliged to be cautious in its dealings with Pakistan. It has very important consequences. 2) Under cover of this campaign, India rapidly advanced its own atomic program, and it would not be surprising if it has already made the bomb. (This is very important.) 3) This campaign is being used to suppress internal opposition in India. 4) World opinion has been prepared for an attack on atomic facilities of Pakistan, and it has been seen to that in case military action is taken against Pakistan in the name of knocking out atomic installations, no one will come to the aid of Pakistan. In this context, it is enough to note that even after the disclosure of Indian plans to attack Kahuta, neither America nor China has yet said what they would have done in the event of an Indian attack or what their reaction would be in case of an attack in the future.

There is only one danger in this last contingency, and that is the reaction of Pakistan. It is true that in reply the foreign minister has threatened a full-scale war. In 1971, Yahya Khan personally made such a threat, and India witnessed its reality. But I feel that today conditions are very different. This time, in case of an attack, Pakistan can surely inflict huge losses on India, and the clock in the subcontinent can be put centuries back. It is another matter that destruction is no guarantee of freedom's safety and that this is not a proper choice. But there are several other possibilities. Sahibzada Yaqub Khan says that an attack on Kahuta will be considered a full-scale attack. A few days back, in a press conference in New Delhi, while speaking on a proposal for mutual inspections, Mr Rajiv Gandhi said, "It is not necessary for Pakistan to keep in its centers the uranium needed for building the bomb. It can be hidden anywhere." If our honorable foreign minister examines this in the light of his military experience, he will realize that India has gone beyond the limit of merely attacking Kahuta. Now it has got the option of attacking any place. All it has to say is that "in this place there was a store of bomb-grade uranium." Now the danger is not merely of an attack on Kahuta. Very skillfully India first started the atom bomb campaign and now, in this context, it has made all of Pakistan the target of its attack. Modern battles are fought on the political front. India has cleverly played the card of a Pakistani atom bomb. Now if it wants to embark on aggression, then Mr Rajiv Gandhi has already won half the battle through his political moves. He has obtained an agreement on the principle of stopping Pakistan from building an atom bomb and, interestingly enough, America has reverted to the position of 1971. Then it accepted secession of East Pakistan. Only on the means did it have differences with India. Today, it accepts the principle of stopping Pakistan from building an atomic bomb. Today, too, the differences are only over means. In my opinion, the differences today are much narrower than in 1971.

In this context, that innocent remark by Mr Rajiv Gandhi is meaningless where, while expressing his amazement, he stated: "President Reagan said to me that you should stop Pakistan from building an atom bomb before the Pakistani atomic program reaches a point of no return." Rajiv Gandhi said, "I do not understand what the President meant by this." One cannot help applauding the cleverness of this innocence. Full of warning as the remark was, more dangerous were the explanations offered by America. The remark was made by President Reagan on a personal level with the administrative head of India, but the explanations have been issued on lower official levels. Even these explanations do not deny the remark. Only the interpretations are said to be different. In other words, there is no dispute at all over "stopping Pakistan." In a recent issue of THE NEW YORK TIMES, the above remark by President Reagan is presented like this: "We must not allow Pakistan to reach a stage from which it is not possible to come back." These remarks are by the American president. There is no question that India will have any disagreement with this. This agreement between these two powers can become the basis of a big step.

If, according to THE NEW YORK TIMES, even officials of President Reagan's administration know that Pakistan is not building an atom bomb, then why is the American government becoming a party to this "bomb campaign"? The answer to this is very simple. Pakistan is not in the list of permanent interests of America. These regions start from west of the [Persian] Gulf. Israel is the center of American interests in the region. There is no doubt that Pakistan has acquired enough capability and expertise in the atomic field. If not today then tomorrow, if a political decision is taken, our scientists are in a position to deliver a bomb. A Pakistan atom bomb is a death knell for Israel. America will not court this danger under any circumstances. The American concern is that, taking advantage of the present conditions, guarantees should be obtained that Pakistan will never be able to build a bomb in the future and, in case it does want to build the bomb, the big powers should have the right to stop it by force. This is a serious conspiracy against Pakistan. This is a bigger conspiracy than even the effort to destroy the reprocessing plant. This plan is obviously in accordance with the wishes of India. That is why it started the bomb campaign. It is not too farfetched to believe that India may have obtained American consent before starting this campaign. This suspicion is not misplaced. The final question is whether, to prevent Pakistan from building an atomic bomb, world intimidation will be brought to bear to shackle Pakistan to agreements or force will also be used. Here there may be a difference between the positions of America and India. It may be that America hopes, by making Pakistan friendless in the world, to scare it into accepting any kind of agreements to go without an atom bomb. Obviously, it is also China's interest that, under the influence of the idea of a bomb-free zone, an idea that has emerged in the course of this controversy, India may provide world guarantees for not building an atom bomb. This should be its natural reaction. But there is no salvation in this for Pakistan. Keeping in view its claims of friendship, we can accept that America wants to limit the "bomb campaign" merely to pressure us so that Pakistan will accept atomic restrictions forever. But will this be the objective of India also? It is difficult to believe this. India feels that in view of the atmosphere created as a result of the "bomb campaign" it will not face any significant opposition if it takes steps to destroy Pakistan's military power under cover of knocking out atom bomb installations. This impression is fraught with dangers. In view of India's mentality, there is lot of temptation in this. It should be kept in mind that in 1971 Mrs Gandhi had given orders to the military commanders that "military power in West Pakistan should also be destroyed." A friendly ambassador had accordingly passed it on. This action was stopped as a result of a telephone call from President Brezhnev. But, today, conditions are different. America agrees with the basis for attack which India has created. And how are our relations with Moscow? It will be enough to note that until 1971 Moscow had never accused Pakistan of killing any Soviet soldier. From this, one can realize what kind of dangers are threatening the country. The conspiracy to finish Pakistan's atomic option once and for all is now complete. America wants to achieve this objective without destroying Pakistan's military power. India will definitely wish otherwise. On the basic objective, both are in agreement.

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CSO: 4656/24

CONCERN EXPRESSED OVER ARMS MOVEMENT FROM AFGHANISTAN

GF291244 Karachi DAWN in English 25 Dec 85 p 7

[Editorial: "Guns and the Tribal Areas"]

[Text] In a surprising show of candor, the interior minister revealed to the National Assembly the other day that some 300,000 sophisticated rifles of Russian and Chinese origin have found their way into the federally administered tribal areas and Dir. In addition to this huge arsenal, other weapons, such as anti-aircraft and anti-tank devices, have also filtered into the tribal areas from Afghanistan. The minister tried to absolve the government of any blame for permitting this alarming situation to arise by using the convenient argument that its writ does not extend fully to these parts of the country. In the same vein he referred to the peculiar situation there and the long border with Afghanistan which, he said, made it difficult to control movement properly. As far as this peculiar situation is concerned, it should be pointed out that giving refuge to Afghans fleeing from their homes never meant that this country would have to reap such a deadly harvest of weapons in the process. While people sympathise with the Afghan refugees, this feeling can obviously remain unaffected only so long as the refugees themselves respect local customs and the country's laws.

One by-product of the influx of Afghans has been the injection of large quantities of sophisticated weapons--although it is difficult to say whether the interior minister's assessment of the number is correct. These weapons have either been brought in from Afghanistan, or have been diverted from the supplies that have been sent by other countries for Afghan fighters. The Pakistan Government's responsibility is attracted in either case. It is less than convincing to claim that the government's writ does not run in those areas. This is a curious plea to take by a military government which has not hesitated to adopt the toughest methods in dealing with situations involving public peace and order and in tackling its political opponents. Indeed, if the recent Kukikhel operation is any pointer, the authorities should have been able to bring matters under control in the tribal areas and adjoining places like Dir. Also, it should be pointed out that any attempt to control influx of weapons would lead to a clash is incorrect. If proper organization, screening and checking on the border had been instituted, then much of the weaponry could have been stopped from entering the country relatively painlessly.

The existence of illegal guns in such large numbers has obviously made an impact throughout the country. Even small-time criminals who would previously be content with owning an antiquated weapon are now in many cases armed with sophisticated guns--often better than those owned by the police, which fact the police are learning the hard way. Others who are not criminals have also come to own such weapons, examples being some students or politically minded gentlemen. All in all, a new situation has been created in society, and one that has an awesome destabilizing potential. Even now a visible increase in daring crimes and the resulting insecurity have a lot to do with a flourishing illicit gun trade in the country. A point has been reached where it is no longer sufficient for the government to issue vaguely placatory statements, as the interior minister did in the Assembly the other day. Some resolute action will have to be taken, and the tribal areas can by no means be treated as out of bound for such action. For one thing, the trade in arms must be stopped immediately, regardless of whether certain sensitivities are bruised. Besides this, the government must take immediate steps to ensure that arms are no more as easily despatched to the rest of the country from the tribal areas. Here, again, certain sensitivities may be involved, but considering the impact that this huge trade in arms is having over the rest of the country, these will have to be disregarded. By permitting so many arms to exist illegally in the country this government will be leaving an extremely dangerous legacy. It must now take strict measures to at least mop up some of these arms and prevent the entry of more.

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CSO: 4600/158

REELECTION, REINSTATEMENT OF PARTIES URGED

GF181734 Rawalpindi HAIDAR in Urdu 14 Nov 85 p 3

[Editorial: "Interim Elections"]

[Text] President General Mohammad Ziaul Haq addressed a news conference in Hyderabad and stated that those political parties which did not participate in the 1985 elections should work hard and prepare themselves for the 1990 elections. He told the MRD [Movement for Restoration of Democracy] that its members wasted an opportunity by boycotting the 1985 elections and that they will now have to wait until 1990.

The president's proposal is in response to the demand that elections be held on a party basis after the restitution of political parties but before the expiry of the tenure of the present National Assembly. He has blamed the parties that comprise the MRD for not availing themselves of the opportunity to participate in the 1985 elections. It would be superfluous to point out to President Ziaul Haq that the MRD had not deliberately boycotted the elections, but had been forced to by the measures taken by the martial law government--which were in contravention of the 1973 constitution. One of these measures was the referendum held in December 1984 which brought nationwide disgrace. It proved however, that a majority of the people support the MRD stance and do not favor delegating maximum power to one individual to amend and distort a constitution approved by the Supreme Court as the highest legal charter in the country under which all future elections were to be held.

Since the MRD believes that restoring the 1973 constitution is sacrosanct and considers upholding it a democratic duty and in the national interest, the MRD preferred to keep aloof from the general elections held in an unconstitutional manner. Thus a precedent was created which strengthened the cause of the struggle for democracy. This resulted in a new awakening of political acumen among the people, however subliminal, but which is forcing martial law to terminate its sway. The role played thus far by the National Assembly--which has been the result of rather imperfect elections, as they were nonpartisan--has not been very effective in meeting national demands under the 1973 constitution.

We feel that these problems crop up because of a lack of a national bias, the natural accompaniment of nonparty elections which do not enjoy the support of those political parties which have made the military government admit that the country's territorial integrity and stability demand a restoration of democracy.

It cannot be denied that a democratic system that enjoys the popular support of the nation is imperative for the country's security. We consider it justified to demand interim elections on a party basis during the present circumstances and we vociferously endorse such a demand to achieve this lofty objective. We reiterate that as soon as political parties are reinstated and their infrastructure finalized, fresh elections must be held immediately. The process of lobbying for members and presenting fresh manifestos can take as little as a year. Thus fresh elections could be easily held in the beginning of 1987. If the esteemed members of the present National Assembly agree to interim elections, their concession will not be in vain. They will have earned the gratitude of the entire nation for blazing a path toward a national compromise.

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CSO: 4656/38

DHAKA PAPER VIEWS PAKISTAN'S MARTIAL LAW

BK021648 Dhaka THE BANGLADESH OBSERVER in English 31 Dec 85 p 5

[Editorial: "Democracy to Take Root"]

[Text] Martial Law goes in Pakistan. The third and the longest period of military rule in the 37-year history of Pakistan came to an end on December 30, just a day ahead of the beginning of the new year. Amidst speculations at home and abroad as to whether things would shape, politically, in accordance with the hope raised by the assurance given by Ziaul Haq earlier in the year, it came. The transition to civilian rule remains substantiated by such changes as the appointment of the first civilian governors of Pakistan's four provinces since the coup of 5 July 1977.

One way to react to the reported change is: better late than never. The way the Pakistani people, particularly the political opposition, have taken it is yet to be known in full detail. It can however be assumed that a general sense of relief is likely to be felt all over the country, not untempered, perhaps, by the anxiety that General Ziaul Haq still retains enough presidential powers, earlier secured by a bill in parliament, which may take away, to some extent, from the quality of a true democracy. But considering the non-too-easy-going eight-and-half years of martial law and the graduated process of an election (on a non-party basis), a parliament made up of elected representatives and the whittling down of the feared rigours of sharia law, crowned with the withdrawal of martial law, the change is remarkable. It is so not only by the Pakistani standard but also by that of those countries in similar conditions around the world.

The reason for optimism about the growth and consolidation of democratic institutions in Pakistan is provided both by the fact that martial law is no more and the presidential powers are shown of the leverage of military authority and, let us hope, the basis of the fundamental rights of the people, freedom of the press and parliament will have been enlarged. With these ensured, the change will make a considerable difference to the past. This may also create the climate in which political parties could work more freely and go ahead with the fundamental democratic need for building up a viable opposition capable of providing an alternative government in a contest in the future. It need hardly be said that the country that has been through three martial laws in thirty years the greatest need is so to develop consensus based and representative government as to obviate once and for all the possibility of repetition military rule.

The change in Pakistan also provokes thinking, in terms both of prospect and retrospect, about the overall political situation in individual countries of the sub-continent, particularly those which came into being in the wake of partition in 1947. The original two countries--India and Pakistan--became three sovereign independent entities with the emergence of Bangladesh in 1971. Politically speaking, except in India which drew up a constitution in 1950 making for representative rule, based on the popular vote, in Pakistan, in its own time, or in Bangladesh, in its [as published], democracy has had no chance to thrive. The beginning just made (of a second round in democratic change in Pakistan) and the promised transition in Bangladesh to civilian rule (which must not take too long to come, with the preparation under way) the overall outlook seems hopeful.

In a more critical perspective of history the problem both of political instability in the form of continuing or recurrent non-civilian rule, as in Pakistan or Bangladesh, and of the growing instability and strained relations between the centre and the states in India, may be traced back to the fact that at the time of withdrawal of the British from the sub-continent there was no firm constitutional arrangement (in the form of a parliament-passed law) on the basis of which the newly-emerged independent countries would run themselves. And in India and the other two countries (Pakistan and Bangladesh) the fundamental problem has over the whole period been one, either of a constitution not being framed and worked (Pakistan and Bangladesh) or the lack of a constitutional provision (India) that would share with the states powers enough to prevent any future movement by the latter for the same. Overcentralization of powers in India has produced her modern problems. Lack of a viable constitutional government in either Pakistan (old or new) or Bangladesh has created theirs. May one, without calling in question the inevitable decisions produced by the exigencies of history, as in 1947, refer the student of the political history of this sub-continent to the failed Cabinet Mission plan of May 25 of 1946 providing a solution to the then insoluble-looking problem of a very complex political situation? This is not to say that one would walk backward in history but to draw the lesson that without a democratic constitution carefully written and used as the foundation of representative government it will take long for democracy to take root in our part of the world.

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CSO: 4600/158

PAKISTAN

INCREASED GUN LICENSE FEE SEEN AS FACTOR IN CRIME

Karachi JANG in Urdu 23 Oct 85 p 3

[Article by Pir Ali Mohammad Rashdi in the column "East and West": "Increase In Gun License Fee and Necessary Consequences"]

[Text] Important people have ambitious dreams, but the dreams of the poor do not go beyond "dal-bhat" (lentils and rice). For example, the elected representatives of the people are busy with constitutional problems. But the farmers are concerned with protecting their homes against burglars and their fields from incursions.

In this connection a new threat has come up. News reports state that the elected representatives are increasing the annual license fee for possessing guns from 50 rupees a year to 1,000 rupees. It is hoped that this is nothing more than a rumor; otherwise, it will become legally impossible for poor citizens to own a gun to safeguard their homes and the farmers to protect their fields.

Everyone is aware of the frequency of crime, and it is not advisable to comment publicly on this issue. This not only affects the good name of the police, but the government of the elected representatives also risks staining its popularity. To be fair we will have to acknowledge that the police, on its part, is doing all it possibly can. The number of policemen who lost their lives fighting bandits during the past 18 months, in my opinion, is more than the people killed in peacetime during the whole British reign. A strange notion is found among the people during this period. In the old days, people were afraid of the police. Now it is considered an act of virtue to kill the police or, in other words, people wearing uniforms of law enforcement officials. To find out the reason for this change in attitude is the responsibility of the government of the elected representatives. They should find out why their administration, of which the police department is also a part, has lost its self-respect and dignity, to the extent that a criminal or even an ordinary individual takes so much pleasure in killing its men, something which till only a short time ago was beyond one's imagination. They should also think about how an administration which has lost its control over its people or which, for some reason, no longer enjoys the respect and honor of its people can bring peace and tranquillity to its people. The question which then arises is what should be done. Martial law has been in effect for the last 8 years, military courts are functioning, colonels can sentence people to death and majors can inflict punishment by flogging in public, and the fines are said to have reached hundreds of millions of rupees. Despite all this, no appreciable change has taken place. Criminals, instead of fearing, have begun to hate the officials of administration. What can be the reason for this kind of behavior? It appears to me to be some kind of psychological ailment for which a scientific method of treatment will have to be devised.

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The methods of treatment so far proposed by the officials of the police department have been, to a great extent, inadequate and have proved to be ineffective. The police have made every possible effort to solve this problem. But it seems that there is some basic deficiency in their diagnosis that they are unable to treat the patient successfully. Previously, stealing cows and goats in the villages was considered a big crime. But the same people who once stole cows and goats are now kidnapping human beings and are making hundreds of thousands of rupees by holding them as hostages. In the old days, even the most simple crimes were committed in remote places far away from police stations. But now everyone is well aware of the incidents that are taking place in cities like Karachi and Rawalpindi.

Today no place can be said to be safe and secure.

(3)

Everyone appears to agree that the following are reasons for the fearlessness of bandits and the abundance of crimes:

1. Illegal imports of Kalashnikov rifles and other sophisticated weapons,

2. Easy access to bomb formulas,

3. Facilities available to criminals to settle in big cities,

4. Free flow of traffic between provinces without any restrictions as to permits and identity cards,

5. Routine increase in the perquisites and living standards of police officials,

6. Something that is found in some places and is commonly known as "monthly" or "allowance" (This clue should be sufficient for the wise to come to a conclusion.),

7. Due to political reasons, leniency and affection shown in some places under certain conditions to professional arms smugglers (people trafficking in arms brought from abroad).

These are not things that the administration cannot stop. During Chiang Kai-Shek's regime, conditions in China were much worse than they are here today. But the new government, within 6 months of taking office, solved all the prevailing problems. Isn't it possible for us to send some 10-15 police and some civilian officers to China to learn the techniques of preventing trading and dangerous, illegal smuggling of arms and how these can be prevented from reaching cities? If we were to ask China, it would send some of its trained officers to Pakistan to give the necessary training to our officers.

(4)

There is yet another aspect of this problem. God forbid that the passion of disruption and subversion should reach extremes inside the country and an external enemy attack from outside. In such a case, the question is whether hundreds of thousands of illegally smuggled arms lying scattered all over the country will be used against our country or in its interest, while the local population will have nothing more than outdated, broken-down weapons. I wish that some high-level meeting would discuss this problem, on which it is not possible to write openly. It may be stated that during the last world war, at the Russian front of Leningrad, the civilian population defeated the Germans with their own local weapons. The defeat was so devastating that the German soldiers could not hold their own on any front. History teaches us that soldiers can recover from defeats inflicted by other soldiers, but it is practically impossible for soldiers to recover from defeats sustained at the hands of the people.

(5)

The license fee issue raised recently in our country should be considered in this context. Some points in this connection that deserve attention are:

1. Most free people have a constitutional right to be armed; in other words, they should possess arms to safeguard their lives and property.

2. We have deprived our people of this constitutional right. The administration has kept for itself the authority of issuing arms licenses and is very stringent in issuing such licenses.

3. Peaceful citizens in this country have to abide by and be dependent on the licenses issued by the authority. They have to undergo considerable hardship before they can obtain licenses. On the other hand, a citizen with disruptionist tendencies is free from restrictions laid down by licenses and can buy as much and any kind of arms he likes on the black market, use them without any hesitation, and keep them hidden in his possession.

4. The English, despite being foreign rulers, were liberal with regard to their arms policy. For example, during the British regime, licenses could be had without payment of any fee, and distinguished people could purchase any kind of arms except cannons without any license. Later on, when payment of a fee became a practice, it was never raised about 5 rupees for guns. Now, by the grace of God, our country is free and the rulers are own compatriots, but the prevailing situation regarding the license fee is not hidden from anyone.

5. If the rumors that the license fee will be increased from its present level to 1,000 rupees annually are true, it will become impossible for peaceful citizens with ordinary income, especially farmers, to pay this fee and be able to obtain a license. They will no longer be able to defend their homes from burglars and bandits and their farms from swine.

6. The overall effect of such a policy will be that illegal trading of arms will increase.

9315/13046
CSO: 4656/16

BRIEFS

JAPANESE AID AGREEMENTS--Under two separate agreements, Japan will provide with more than 300 million rupees for augmenting agricultural production in the country and utilizing subsoil water resources. In this connection, the documents were exchanged by the Japanese ambassador in Pakistan and the secretary general of economic affairs division in Islamabad today. [Excerpts] [Karachi Overseas Service in Urdu 0800 GMT 26 Dec 85 BK] /12712

COOPERATION ACCORD WITH ROK--Pakistan and the Republic of Korea have signed the first agreement for 2 years on cooperation in science and technology. This agreement includes cooperation in various fields of modern technology and contact programs between research and development organizations and various joint projects on research and development. The agreement was signed in Islamabad today by the secretary in the Ministry of Science and Technology and the director general of Ministry of Science and Technology of Korea. [Text] [Karachi Domestic Service in Urdu 1500 GMT 23 Dec 85 BK] /12712

KHUNJERAB PASS TO OPEN--Khunjerab pass will be opened for foreign citizens who wish to travel by road between China and Pakistan beginning 30 April this year. These citizens will have to obtain visas for this purpose. This will apply to citizens of countries that have a visa exemption agreement with Pakistan or China. [Text] [Karachi Domestic Service in Urdu 0200 GMT 3 Jan 86 BK] /12712

JORDANIAN AIR CHIEF VISITS--The Jordanian Air Force Commander, Major General (Ehsan H. Shurdun), arrived in Rawalpindi this afternoon on a weeklong visit to Pakistan. The Chief of the Air Staff, Air Chief Marshal Jamal Khan, received him at the Chak Lala Airport. [Excerpt] [Karachi Domestic Service in Urdu 1500 GMT 5 Jan 86 BK] /12712

DIRECT DIALOGUE WITH KABUL URGED--Karachi, Dec 27: The Sind Working Committee of the defunct Pakistan National Party (PNP) has demanded that the Geneva talks on the Afghanistan issue should be done away with and, instead, Pakistan recognize the Karmal regime and enter into a direct dialogue with it to settle the problem amicably. In a resolution, it said the Pakistan Government's policy on the Afghanistan problems was "unstatesmanlike" and posed a potential risk to the country's unity and integrity. An early settlement of the Afghan problem was in the interest of Pakistan as it would facilitate the honorable return of the Afghan refugees who according to it, have become a burden on the national economy. [Excerpt] [Karachi DAWN in English 28 Dec 85 p 10 GF] /12712

EXILES SENTENCED IN ABSENTIA--Islamabad, Dec 28 (AFP)--Special military courts today sentenced 86 exiled opposition militants to four to 14 years at hard labor and confiscated their property here, officials said. Court officials said the opposition figures were convicted on charges of terrorism and other unspecified anti-state activities, and accused them of fleeing abroad to avoid trial. The verdict came two days before the scheduled end of martial law here on December 31, but observers said the ruling could mean that a partial ban on opposition activities would not be lifted. Among the convicted exiles was an alleged founder of the anti-government Al Zulfikar group, Mir Murtaza Bhutto, son of executed premier Zulfikar Ali Bhutto and brother of Shahnawaz Bhutto, who died in France last July in mysterious circumstances. [Text] [Paris AFP in English 2015 GMT 28 Dec 85 NC] /12712

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END

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28 January 1986

Near East/South Asia Report

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28 January 1986

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TUNISIA

EXPLOITATION OF NATURAL RESOURCES FOR DEVELOPMENT PROJECTS

Tunis DIALOGUE in French 11 Nov 85 pp 30-31

[Article by Wajdi Saihi: "Development of Central Tunisia: A Strategy Suited to the Realities and Potentials of the Region"]

[Text] In the same way that investment derives its entire significance from the size of its allocations, its results depend on procedures adopted and choices made. For the development of Central Tunisia, the procedures rise from a realistic vision oriented toward the future and strategy based on a model adapted to the realities and potentials of the entire region.

Just a few days after his visit to the south, Mohamed Mzali, prime minister and minister of the interior, paid a visit to Kairouan, thus expressing the intention and determination of the government to assure that all regions of the country will have the necessary conditions for harmonious and appropriate development.

This concern hardly comes from an option aimed solely at approving the necessary financial effort but takes its meaning from a choice made on the national level, the magnitude of which is proved, in fact, by this effort at regional promotion which so clearly recognizes the realities and the potentials to be developed. As a matter of fact, that is what Mohamed Mzali emphasized when he stated that "the economic and social development policy followed in Tunisia is staying away from stereotyped ways of thinking and imported ideas and comes from original ideas drawn from the country's realities and from our conception of the civilization of the Tunisia of the future."

It is therefore a genuinely national program based on regional realities with all that that can entail in terms of natural and human resources.

In the case of Central Tunisia, geochemical conditions, socioeconomic traditions, and the choice made at the national level, itself the product of consultation made on the regional level, result in the agricultural sector being the priority sector; and this is the direction taken by governmental action and reflected by the goals defined by the Sixth Developmental Plan as well as by the promotional effort undertaken during the last several years.

This choice also proceeds from a concern for profitability as Mohamed Mzali stated in Kairouan. In fact, the agricultural sector, supported by a series of measures (including flexible agricultural credit, availability and distribution of supplies, especially for plant health, selected seed as well as other measures for encouragement and training along with favorable climatic conditions), made it possible for the agricultural GNP to register, in just the one year of 1985, growth on the order of 15 percent, which, among other things, permitted a GNP growth exceeding expectations for that year.

A Well Defined Strategy

Starting from these elements, the strategy adopted is expressed in financial terms by an allocation, for the agricultural sector alone in the four provinces, of 150 million dinars.

This total investment is divided, as the prime minister indicated, into several large projects which reflect the ambitions of their promoters.

They are [as published: total would agree if Sidi Mansour were 5.5]

- the Central Tunisia irrigation project: 24 million dinars;
- the Central Tunisia rural development project: 19 million dinars;
- the dry cultivation development project at Sidi Bouzid: 11 million dinars;
- the irrigation project at Sidi Bouzid: 10 million dinars;
- the El Houraeb Dam on the Oued Marguellil: 30 million dinars;
- the protection of the Bourguiba Dam: 13.5 million dinars;
- the supply of potable water to rural areas: 8.2 million dinars;
- the project of the development company at Sidi Saad: 6.7 million dinars;
- the project of the development company at Sidi Mansour: 55 million dinars;
- the Oued Eddarb project: 7.5 million dinars;
- other agricultural projects: 14.7 million dinars.

The common denominator in all the projects mentioned, obviously, is the concern for guaranteeing the maximum reserve of water for rational exploitation. In fact, the region, characterized by a semidesert climate, has always seen attempts at agricultural development limited by the inadequacy of rain water. As a result, promoters of the projects insisted first, to assure the success of the endeavor, on providing it with the maximum securities; that is, on increasing irrigation sources.

The Common Denominator

This design, viable on the large project level, also is applicable to small operations; for a total of 1,200 wells are anticipated in the region, counting new drillings and wells already underway, which, at the rate of 2 surrounding hectares each, can permit the settling of 2,400 families in an area of approximately 2,500 hectares.

As for surface well drilling, 600 will be dug in the Kairouan province with credits of 1.8 million dinars, 200 at Sidi Bouzid thanks to funds amounting to 600 thousand dinars as well as about 100 in the Kasserine province plus maintenance of approximately 300 for a cost of 800 thousand dinars.

Thus, credits allocated for drilling and upkeep of wells will amount to 3.2 million dinars in addition to 3.6 million dinars from FOSDA loans, from youth employment programs, and from agricultural development which will be mobilized for equipping the wells...

It should be noted in this regard that the mobilization of underground water has increased very substantially since 1981, the developments achieved up to now reflect that. Thus, if you consider the four provinces as a whole, you find that from independence until 1980, the number of wells drilled was 7,400, while between 1980 and 1985, progress was quite remarkable since the number went to 18,600, thus logging significant increases, especially in the province of Kasserine where the number more than tripled, rising from 800 to 2,700.

In the Sidi Bouzid province, for the same period, this number went from 1,200 to 6,000, or 5 times as many; and in the Kairouan province, it was increased from 3,500 to 6,000 wells; while for the Sfax province, it went from 1,900 to 4,000 wells.

This mobilization effort is expressed in the numbers, of course, but is also confirmed by the efforts agreed upon for water and soil conservation to maintain the phreatic table. Investments dedicated to this are in the neighborhood of 2.8 million dinars for just the first stage of this work.

In conclusion, within this same perspective, the decision has been made, as Mohamed Mzali announced in his speech at Kasserine, to create an improvement and development company within the Meknassi and Menzel Bouzaiane delegations. Affecting 4,000 hectares, this decision follows upon the heels of the discovery of very significant phreatic reserves in that region which will be exploited by means of wells with an output of 100 liters per second.

Thus, this rational exploitation of groundwater and surface water will permit the creation of real centers of development which will set the standard for other projects undertaken on the industrial and trade levels.

12666
CSO: 4519/34

ISRAEL

TEHIYA LEADER COMMENTS ON KAHANE'S KAKH MOVEMENT

Tel Aviv YEDI'OT AHARONOT in Hebrew 13 Aug 85 p 19

[Article by Yuval Ne'man]

[Text] Recently KAKH has increased its public support, in an almost automatic reaction to the murder of Jews by Arab terrorists. The crueler the murder, the more intense the feelings of hate toward Arabs, and the greater the desire for revenge. Rabbi Kahane's statements are a verbal release to the gathering anger. The identification with KAKH expresses the disapointment and the sense of frustration of the public that feels that tolerance and the liberal approach toward the Arab minority are getting in the way of using more drastic defense measures.

In this context, the style makes a lot of difference. It is unfortunate that it was a Likud administration that instituted the easier approach in Judaea, Samaria, and the Gaza Strip, that did away with expulsions and that enabled the establishment of Arab universities which became headquarters for terrorists. These fact were nevertheless covered up by Begin's hawkish tone. He was astute enough to provide some release for the anger in the Jewish sector. Just recall what he said after the murder of the baby in Nahariya: "The revenge of the blood of an innocent baby has not yet been invented by the devil." Begin was the one who raised the issue of capital punishment. Today the only ones to be heard are RATZ representatives, and other leftists who come out for the protection of the Arab citizens. They further enrage the public and help Rabbi Kahane, to whom the angry crowd is attracted. Television reports, too, which stress opposition positions by the left, and statements made by Arab MKs, only add oil to the fire and increase identification with KAKH.

Critics from the left do not distinguish between support of Likud, Tehiya or KAKH. The prime minister expressed this opinion in recent days when he described the escalation in extremism. Anyone who considered Herut to be fascist cannot really see the difference any more. Tehiya was organized around the struggle on the Whole of Israel. Likud, or at least Herut, claims sentiments for the cause, although it was the first (in the Camp David accords) to recognize, in writing, the "Palestinian nation" and its "legitimate rights..." The insistance on the Jews' right to Israel mandates unwillingness to compromise with the national demands of Palestinian Arabs.

This is the reason for the impression of some continuity in anti-Arab sentiments from Herut to Tehiya to KAKH.

Tehiya proposed to the Knesset that some kind of national service for Arab citizens be instituted. This service will be a prerequisite for obtaining the right to vote. The same will apply to Jews. Tehiya's platform addresses the relocation of Arab refugees (about 500,000 in Judaea, Samaria, and the Gaza Strip) outside of Israel as a pre-condition for peace. In contrast, the government has agreed to absorb 5,000 refugees who now live in the Canada neighborhood of western Rafah, as part of the agreement with Egypt. Tehiya mentions other options for population exchanges as part of these agreements, similar to the transfer of 10 million Germans in 1946. Tehiya's demand to annex Judaea, Samaria, and the Gaza Strip forthwith does not imply giving the Arabs there Israeli citizenship. One should recall the resistance of Golan Heights Druze to receiving Israeli identity cards. The point is also that Arabs in east Jerusalem are holding on to their Jordanean citizenship to date. Israeli citizenship should only be granted under special circumstances and following appropriate loyalty tests. These are legitimate and civilized ways to hold back the size of the Arab population in Israel, or at least its political influence. Theoretically, if the practical goal is achieved, there is some similarity here to the processes proposed by Rabbi Kahane. But his way is inciting to hate and to mass expulsions, similar to the ways Jews were expelled from European countries in the Middle Ages. This "minor difference" is the only way the public can note the vast ideological differences between all the Zionist movements, from Labor to Tehiya to KAKH. The style of inciting against the Arab population is but one expression of something that is different, deeper, disgusting, and appalling, that the public as a whole is not aware of. Anyone who hears Rabbi Kahane in the Knesset can feel it directly. For example, considering Arabs--and non-Jews as a whole--as subhumans.

Rabbi Kahane is not thrilled with Zionism and he does not derive his inspiration from Herzl. He finds everything in the scriptures, and the state toward which he strives is conducted according to the strictest sections of the scriptures, intentionally so.

KAKH is a one leader movement. The intermediate leaders are lovers of Israel that the author thinks are not too happy with the theological content dictated by Rabbi Kahane. But their opinions carry no weight in a one leader movement. If KAKH does indeed receive several seats in the next Knesset, the national camp will thereby suffer a great and dangerous loss. The nature of Kahane's movement is such that it will not become part of any coalition. It will not be possible to establish a national unity government, since it cannot be assumed that such a goverment could have a majority without KAKH's votes.

If Rabbi Kahane were willing to give up the social-ethnic message of his platform, and if he could only concentrate on the struggle on the Whole of Israel, he would respond to expectations of most of his supporters, and he would also remove the partition between himself and the Zionist camp. But if he cannot overcome emotions and methods derived from the worst of the Jew-haters, and if he can only differentiate between people in a way that is totally contradictory to any Jewish tradition, the rest of the Zionist camp will have to fight this phenomenon and divert efforts to it that could otherwise be devoted to the real struggle, that against those who would lead the nation to a division of the Land of Israel. What a shame.

8646
CSO: 4423/82

PEACE NOW ACTIVISM URGED

Tel Aviv ´AL HAMISHMAR in Hebrew 2 Sep 85 pp 6, 11

[Article by Avraham Frank: "New Direction for Peace Now"]

[Text] It is no secret that recently the level of activity of the Peace Now movement has been quite low. Recently voices have been heard calling the movement to organize to act against Kahanism. At any rate it is unclear what the future path of the movement is to be, and this increases the necessity for public debate on the matter and formulating of lines of action. I am not sure that we--in view of the processes which Israeli society is undergoing--have any matter more important upon which to express an opinion. The Peace Now movement was the chief instrument in the struggle against nationalistic madness and we still have no better instrument. There is no guarantee that any radical change is expected in matters of foreign affairs and defense at the government level, in the unity government, or even if there is any chance for this. There is supreme necessity for a broad-based public power, which will lay the ground for possible new processes.

The problem of discrimination, Kahanism, nationalism, is a central problem of existence in the Israeli national experience. It is impossible to exaggerate its seriousness. There is no doubt that for the past few years we have been at the hour of truth that is the most serious that Zionism has ever known and the process is becoming more severe. Zionism is being destroyed from within. And it appears that it is much easier to deal with external enemies, with challenges which are placed on us by a foreign factor, than with internal destroyers. At any rate in these confrontations--we succeeded.

Many bodies have formed around the struggle against Kahanism, they act in various sectors, generally a fairly sporadic struggle. No doubt there is urgent need for a national framework for coordination, organization, and vitalization of the activity. In general, a struggle against Fascist forces requires creation of a massive public anti-force. Then it will be possible to function with efficiency. Thus the need for a national body, which has many active supporters, amongst public figures, members of the Knesset and ministers. This body can, then, carry out local propaganda activities (educational and otherwise) on wide scale, and can appear and be seen, frequently, via the national communications media.

The question which is interesting for the purposes of this article is, if the Peace Now movement should serve as the national body to struggle against Kahanism, and if it should dedicate itself principally to this activity. It seems to me that the answer to this should be a definite NO!

We must make serious inquiry into the significance of this matter. Until now, the Peace Now movement has acted against annexation, settlement, perversion of justice in the territories, and for advancement of the peace process. Turning its resources to action principally against racism and Kahana--with all the importance these matters deserve--is placing the movement in a line of retreat. Therefore there are definitely two "lines" on this front: the first and principal line--is the line of the struggle against the conquest and settlement, and the back line--is the line of the struggle against the results of conquest and settlement. Kahana is the result and product--one of the results born of--conquest, as it was defined by Ze´ev Schiff (HA´ARETZ, 25.8.85)--"Kahana Against Likud".

The struggle against Kahana, with all the strangeness in the matter, can today be carried out along with many people from the Likud, whatever their reasons for this are. They do not see the matter the way it is presented here. In their view there is not necessarily a connection between conquest and the springing up of racism, and in their view Kahana is in no way a descendant of the Likud. These are, supposedly, two totally different interpretations.

The Peace Now movement must not abandon the front line of the struggle--the struggle for peace. There is no other national factor which can take this upon itself, and the definition of lining up at the second line is none other than a de facto admission of defeat in the struggle for peace. That is to say, there is need, and it has already been stated that it is urgent, to establish a national framework for the struggle against racism; but the Peace Now movement must continue the struggle for peace, while occasionally contributing, as a movement, in addition, to the positive struggle against racism.

To Act Against Conquest

All signs point to it being the hour to renew activity. A feeling that there is something to lean on points to the fact that Gush Emunim is losing power. It has already lost much of its glowing halo which crowned it in the past, and the many corrupt acts which-- it has become clear--are connected with its activity, with the public´s unwillingness today to invest resources in the West Bank, pull out from under it the basis for its activity. the relative ease with which the settlers at the Kasbah in Hebron were removed proves the correctness of this claim.

On the other hand, for the same reasons and for additional reasons, there is a wide public which is unable to stand the crime of what is going on in the "streets of Israel," and which seeks ways to act to change; this public feels the shame which the problem of conquest is no longer just a political problem but is becoming significantly our image as the state and as the people. Today there are new dimensions to the need which many people feel--to act against conquest.

If in the past, Peace Now´s activity was directed toward working for peace between Israel and her neighbors, today several additional reasons are

Kahanism has proved to all of us that there is no existing possibility, for any length of time, of being both conquerors and also mentally balanced and democratic.

The conquest gave legitimization to every detestable immoral act to be a measure of behavior. Violence born of our relation to the West Bank and its citizens, is now turned internally against us.

The conquest aids the growth of political forces who believe in its continuance.

Conquest with all its side effects, dragged us into a detestable war, a war which had an alternative, and there is no certainty that it will be the only one of its kind.

Opposition to the peace process--and to the idea of peace at all-- has become a legitimized way of thinking. The yearning for peace is no longer a norm of thought and behavior which is the only one or the dominant one.

The young generation growing up in the midst of the conquest--for whom conquest is an existing known reality and the only one--is becoming the principal victim of these foreign ways of thinking.

We are endangering the Jews of the diaspora and the system of relations between ourselves and them. The growth of Kahanism in Israel, and its becoming a factor of force, is liable to bring about development of revelations of anti-semitism against Jews throughout the world.

It appears that we are all witness today--to what only a minority were aware of in the past (it will be fair to recall here the name of Prof Leibowitz) to the full serious significance of the situation of conquest. This is a new situation which did not exist 3-4 years ago. On this background the activity of the movement must be renewed, and it must take new directions.

What to do and how to do it

A. Peace Now must continue acting as a wide public extra-parliamentary movement. It must renew activity on a national scope as well as it was in the past, but focus more on presence in the area (all the time and everywhere) and less demonstrations. Those must be saved for truly "festive" occasions. The public is very hesitant about demonstrations when it is not sure of their necessity and their chances for influence.

B. It appears that a central and important thing is the slogans with which the movement goes out to its renewed activities. I would like in this direction to suggest the following ten versions:

--Better a Jewish Country than Greater Israel

--Better a "Sane" Country than Greater Israel

--Conquest Corrupts!

--Conquest--hurts the Conqueror, hurts us

--Kahanism--"product" of Conquest. Let´s Get Rid of Them Both

--Invest in Development Towns and Not in the West Bank

--Peace is Not a Tragedy--It is a Chance.

--Arab Terror and Jewish Terror, Both are Enemies of Peace

--And of course: Peace is Better than Greater Israel

Of course it is possible to find better versions, but as a general direction--this points the way. As was stated, the repertoire must be enlarged, and should no longer be just one slogan, which today no longer "covers" all the aspects of the struggle.

C. Practical Steps. Several stages are required for the renewal of activity:

1. A steering committee of the movement should be ready for the process. A flourish of activity such as suggested here, will require much effort on our part--and perseverance.

2. The chapters which the movement had in the past must be revitalized, and the active members redrafted--veterans and new.

3. To a great extent activity should be carried out on a regional basis. At the same time, the scope must be national. That is, it should be carried out simultaneously in many areas.

4. The essence of the activity will be-- massive intensive presence in the area with the positions of the movement: continuous distribution of material, Sabbath activities; presence at and against various political activities (again--the regional responsibility is crucial); holding regional explanatory meetings; frequent press conferences; regular and rapid reaction of the speaker to every relevant event, including protestation of acts of terror by Arabs; and of course, when required--demonstrations.

D. Wide Platform. At this stage the movement must turn--and expect support and participation from--all those who believe in territorial compromise, without dealing with what exactly their nature and scope is. With all the unhappiness in the matter, this is not the stage we are in. There is common public interest in cooperating with the camp of the "sane" and I believe that this camp is still the large camp.

E. The General Goal. The goal of the renewed struggle is to prove to the public that the citizens of Israel do not see our current ruling of the West Bank as a final situation and final fact; that they prefer peace; and that any other alternative will destroy the Zionist operation and the state. The goal of the struggle is also to show that "the caravan will not pass" in contrast with what the people of the right think--no annexation and no annexators.

In conclusion: a suggestion for action has been presented here. The necessary things will not be done, I fear, without the active intervention of the body of aspirers to peace in Israel--the Peace Now movement.

9182/12781
CSO: 4423/45

ISRAEL

ONE-TIME PERES AIDE PROFILED

Tel Aviv BAMAHANE in Hebrew 2 Oct 85 p 18

[Article by Hagit Slotky: "The Last of the Mohicans"]

[Text] One of the Labor Party MK's once said that there are three people who enjoy Peres' confidence: Yosi Beylin, Elhanan Yishai and Afi Shtentzler.

The first two are among the most prominent of "Peres' boys." Beylin serves as secretary of the government. Yishai is the prime minister's advisor on development affairs and is in charge of public appeals. The third is a potential "Peres boy". Peres offered him the post of deputy director of his office, in charge of coordination between the advisors. Relying upon the description by Beylin and associates in the last issue of MONITIN, Shtentzler would have fit into this crowded corridor without much difficulty: "average height, clean-shaven, short hair, sporting a tie and a styled haircut, non-smoking, academic. The image of the college graduate that has recently swept America." Champions of individualism will point out that Shtentzler does not wear a tie. It is reasonable to suppose that had he accepted Peres' offer, they would have found him with a tie, too.

In any case, Shtentzler refused. According to MONITIN: "He got out of there as fast as he could once he realized that all of those whom he was supposed to coordinate were going to gang up to get rid of him". According to Shtentzler himself, he preferred a chosen task to an appointed one: "Until now all the jobs that I have had were selected for me to match my talents. But I was not elected by the public. The explanation in MONITIN is ridiculous since, when I was offered the job of deputy director, 'Peres' boys' were not yet under foot. Anyhow, as I said, I wanted to gain public trust."

This preference brought him to the Giv'atayim council. Secrectary of the Giv'atayim workers council. Recent events in the city have brought him into the headlines. Afi Shtnetzler is proof that the man makes the job. He is the man who brought together throngs to demonstrate against Kahane. On Yom Kippur eve, his wife contacted him at the council staff, a little frightened. They had begun to receive telephone threats. They warned her not let her husband come out against a holy man. Shtentzler does not get excited. The idea to come out against Kahane was his, and he has no regrets. In the first stage of the discussion he encountered opposition. Even town mayor Yaron was not enthusiastic. But the fresh secretary swept up the others, and the outcome is well known: Kahane came, there were eggs and blows. They even planned to cut his speaker wires, but the police jumped the man with the penknife. Even without that, there was enough noise. One of the consequences: fewer people today ask who Afi Shtentzler is.

Afi Shtentzler, 32, is the youngest workers council secretary in Israel. The darling of Qeysar in particular and the Histadrut in general, he regularly has people 50 years and older coming into his room for instructions. In a picture in the local newspaper, another of his innovations, he is seen embracing the secretary of NA'AMAT in Giv'atayim. But for the caption, one might think this was his proud grandmother. The director of the religious department in the city quoted Qeysar, who quoted himself: "Would that we had a few more like Shtentzler and the Histadrut would seem different." He is the favorite son.

His age, energy and enthusiasm all work to his advantage. In the desolate workers council landscape, he really is a refreshing change. He is a sabra, young, and the veteran of a battle unit. He has been in Giv'atayim 5 months and has already increased activity in the council by 300 percent without expanding the manpower at his disposal. A gallery was opened, there was a May Day march with the participation of the Working Youth, he set up a dance troupe like those in the army, a community college for agriculture and economics, a trade union platform, and soon, he promises, the city will have a cinema.

One can look for the roots of his public activity in the army. He was a company commander in the paratroopers. He says that he loved the army very much. The brigade commander and deputy brigade commander--today Brigadier General Itziq Mordekhay, infantry commander--called him a week before his discharge and pressured him to sign up with the regular army. "I said that I was willing to go to company commander's school for only one reason. After I fought at the "Chinese farm" and saw how many officers fell around me, I knew that every additional company commander was vital for the unit. I took the course, completed it with distinction, finished my service, and was discharged. They asked me then, too, to sign up, but I did not want to. I saw that despite the war, not much had changed in the army. Things had to change--and I as an individual could have no influence."

In 1975, after discharge from the army, after the Ma'alot tragedy, Shtentzler went to work in the municipality of Tel Aviv as the official in charge of security in educational institutions. "The whole thing was then in its infancy. In the wake of Ma'alot, I had to organize parent watches in the schools in 600 institutions." In 1979 he opened the paper and saw an announcement for town secretary. He applied, together with 30 other candidates, and won the job. In the context of Labor in the towns, he got to meet Mikah Harish and several other young Laborites, who called him in 1977 to help with Peres' organizational staff. You remember the results.

"In 1981 I was again called upon by Peres. Beylin, Gid'on Levi and I were really the ones who set up the entire organizational system. I then directed for the first time the tours of the markets and the pictures of Peres embracing people. Afterwards Reagan's people used this approach in his race for the presidency." On the staff they saw that he was good and called on him again in 1984. He arrived 3 weeks after the work had begun and saw that the general direction was not to his liking. The other activists recommended that Peres appear in closed halls. As a former paratroop commander, he spoke of Peres' appearance as a leader, in the open squares and standing tall. Peres accepted his approach, and, again, the results are well known.

"After the elections, I got a call from the prime minister's office to come to Jerusalem. I was invited as the prime minister's personal guest to the government swearing in ceremony. A few days passed and I landed the offer to serve as deputy director. But then Mikah Harish came with the workers council. This was my most difficult dilemma. In the end I decided as I did, and I am completely happy with my choice."

He works 24 hours a day and does not have time to goof off or do the things he used to do. Now he wants to make a revolution, to change the image of the Histadrut, to get close to young people. "I am working on close ties with the Working Youth in Giv'atayim."

He does not talk about plans for the future. Not yet. Ten years of public activity have taught him what he cannot say and what not to talk about. Mayoralty of the city, for example. What is certain is that he will not remain for long as secretary of the Giv'atayim workers council. And he has a good excuse: "I think one should not sit too long on one chair."

9794
CSO: 4423/31

ISRAEL

OUTGOING CHIEF MILITARY POLICE OFFICER INTERVIEWED

Tel Aviv BAMAHANE in Hebrew 9 Oct 85 p 49

[Text] Colonel Abraham Saror is already packing. He is packing piles of reports and protocols and documents in brown cardboard files. He is packing 36 years in the investigative military police, 5 of them as chief. It is not easy to suddenly empty a large office, to leave the safes, the drawers, the shelves naked. It is as if you are emptying something in yourself. Fini.

The investigative military police is the story of Colonel Saror's life. He spent exactly 2/3 of his 52 years in that service. He grew with it. He was witness and partner to its successes and failures. He contributed, invested, left his stamp. He lived the investigative military police every day, all the time.

Grey-black hair, a small face, a wide solid body. For us he is a hard nut to crack. Even after 2 hours with him, you do not know what is concealed behind that tranquil, made up expression. He enjoys it. The questions never confuse him. He has a recipe ready-made of sly, evasive answers. He knows how to give you the feeling that this is as far as it goes; do not press further because you will not get any more. It also does not bother him that he answers most of our questions with difficulty. Even the partial answers are a bit much for him. That is how it is in the investigative military police.

When we speak with him about the successes last year, he points to the capture of stolen weapons and those who stole them. Among them were 2 soldiers who stole 20 pistols a year ago (they were sentenced to 8 years in prison, each), and the soldiers whos stole 6 M-16's. A total of 18 weapons. It is true, he says, that it is harder to trace stolen weapons, especially if they already have gotten into the hands of criminals or Arabs or other hostile elements. But the investigative military police did very good work on this. The last work year was marked by weapons crimes. The situation, in his estimation, is rather static, as in the past year. Weapons crimes are in general connected with drugs, he says. Sometimes the drug is in exchange for the stolen weapon; sometimes the thieves are addicts acting under the influence of the drug. No, there are no drug addicts, and if one should get into the IDF, he is located and immediately tossed out. But even so the problem is acute, especially in the service units. The investigative military police does not give up. They go to the units, taking urine specimens and explaining. This year almost

10,000 specimens were taken, as compared to less than 8,000 a year ago. There was actually a drop in the number of suspects. Perhaps, he speculates, they are beginning to be afraid of being caught.

The chief of staff told him recently that Lebanon is to the north of us, not behind us. For the investigative military police it is certainly behind us. The investigative military police had four bases in Lebanon: in Tyre, in Sidon, in Beirut, and in the Biqa'; and they did excellent work, says Saror. We came in with the IDF rescue forces and were the last to leave. Through local intelligence sources we managed to catch a lot of equipment that soldiers and civilians tried to smuggle. Drugs, too. Hundreds, perhaps thousands, of packages of hashish and heroin hidden in tires, in seats, in almost every part of a car. Drug sniffing dogs helped a lot.

But Lebanon also wore them down. Five top investigators were killed in the second Tyre disaster. The investment in resources and manpower was large. Today, says the outgoing investigative military police commander, we can focus on the real problems of the IDF and devote all our strength and energy to them.

The problem of suicides, for example. That is one that he is not exactly happy to talk about. He does not believe that the army is the reason. The people come with baggage from their civilian life, baggage of pressure and problems. Suddenly they do not have the warmth of home, and there are additional problems and difficulties. They also have the tools to take their own lives.

Judaea and Samaria are also on the agenda. The investigative military police is there, looking into abuse of the inhabitants by IDF soldiers. The so-called abuse, according to Saror. We found the donkey--he is smiling--but not the one who kissed him. [An allusion to a purported incident in which an Arab was forced to kiss a donkey.] The Arab who claims that he saw the incident or heard about it has not been able to point out the one who did the kissing. In any case, every criminal act apparently involving an IDF soldier is investigated and will be investigated thoroughly.

His forecast for the coming year tries to be optimistic. It is a bit hard. When there is economic recession, he says, there are more crimes. Especially property crimes. He hopes that the economic situation will improve, that the investigative military police will not suffer from the budget cuts, but instead will add manpower. In the meantime, touch wood, they have not been hurt, but they still lack money. For computerizing the files, for example, there is no money. The foundation is in place, everything is ready apart from the computers. In a year or two, he says.

The work has taken its toll of him. In this line of work, you hardly finish one investigation when there is already another. You have to be more and more sophisticated in order to succeed. Every criminal today knows the score, how the investigators work and what his rights are. The investigation that Saror remembers above all others and also the one that was the hardest during his tenure, was the episode involving arson on a military base some years back. The investigative military police was called in to investigate as early as the first fire, but only after the fifth incident was a suspect detained, a fireman who worked on the base and appeared at every fire. He was the coordinating officer between the base and the investigators. The polygraph found that he was telling the truth, and he was therefore released. The fires continued. The investigative military police set up a special base that operated 24 hours a day. At a certain point in the fire field, the investigators discovered "gooseneck" fuses, and that was what led them back to the firemen. In a concealed search of the officer's car, the detectives found a number of fuses. That was the first hint.

Colonel Abraham Saror is going home. Even after his severance vacation he plans to stay in the area. Saror is, and will remain, an investigator. It is in his blood.

9794
CSO: 4423/31

ISRAEL

INTERVIEW WITH NAHAL COMMANDER

Tel Aviv BAMAHANE in Hebrew 27 Nov 85 p 15

[Interview with NAHAL Commander Lieutenant General Yoram Gilbo'a by Nili Lahav: "I Am Not Planning on Dealing with Our Image"; date andplace not given]

[Text] [Question] What characterizes NAHAL under your command, and how would you summarize its major achievements this year?

[Answer] I would think that we are not dealing with a question of characteristics, but of changes and emphasis. Each commander promotes his unit according to his personal priorities or to requirements from above, which also dictate changes. The main changes and priorities to which we accorded special attention were:

A. Changes in the structure of order of battle and stress on boot camp training.

B. Changes in the structure of settlement policy, which involved treatment of smaller details with a view to more fully exhausting the area of training, operational preparedness, and the subjects of the settlement groups and NAHAL in this respect.

C. Planning of order of battle for the entire NAHAL within a half-yearly program finalized and coordinated in advance.

D. Rotation of commanding officers among NAHAL units.

E. Standardized uniforms and appearance for all NAHAL troops.

[Question] NAHAL often has an unflattering image among infantry soldiers, who denigrate its military value. What is the NAHAL doing to improve its image?

[Answer] I do not intend to deal with our image in the eyes of others. I have long since come to the conclusion that people are by nature more inclined to dissect, criticize, and advise others more than to deal with themselves.

Consequently, we have been endeavoring to pass mature criticism, as objectively as possible, on the NAHAL as NAHAL members, and on this basis to implement a program designed to strengthen our self confidence and satisfaction in and with ourselves and the NAHAL.

One thing has become clear to me from discussions with company and battalion commanders, and I mean incisive discussions and examinations of the results obtained: We are on the right track, despite the fact that there is never a "halt" sign on this track.

[Question] Training has been intensified and greater stress has been put on the fullest possible military activities in NAHAL units, particularly settlements. Do not these additional duties interfere with social activities?

[Answer] Your question implies as a fact that the division of time between training and operational activities on the one hand, and NAHAL activities on the other, is weighted in favor of training. The truth is quite the contrary. In the new settlement structure, less time is put into training, but by employing different methods and techniques we have been achieving a greater efficiency. It is difficult to explain this to people who are not familiar with the way things were and with the changes made.

Some of the incorrect perceptions prevailing among the public stem from the very framework within which settlement groups are steered. The framework is military in all its aspects: that includes appearance and dress code, fulfillment of planned missions, observance of permanent and compulsory schedules, and so forth. This is the army, for all intents and purposes, only the framework is different.

[Question] In the past year you have been intensively dealing with kibbutz members joining the NAHAL, stressing that you view them as future officers. Are you certain that there is a place in the NAHAL for kibbutz members?

[Answer] I have a long account with the kibbutz members, which came to a head in the past year. I cannot see the NAHAL without the kibbutzniks serving in it. It is not conceivable that boys who grew up in kibbutzim like 'En Gedi, Gerofit, Yotvata, Nahal Oz, and many others, which started out as NAHAL settlements, would not serve in the NAHAL with a view to further establishing new kibbutzim. This also applies to kibbutzim established by the NAHAL, which to this very day continue to receive members through NAHAL settlement groups. The NAHAL is not a private IDF body. It was established for the purpose of preserving NAHAL settlement groups for the kibbutz movement during their military service, and that explains the great contribution and importance of kibbutz members in the NAHAL.

[Question] The implementation of that idea among the NAHAL, i.e., the number of NAHAL men who stay in the kibbutz at the end of their military service, is low. Many of them join the NAHAL without being certain of their desire to chose this way of life. Is that a failure on the part of NAHAL?

[Answer] A young man currently joining NAHAL has legitimate doubts about the way of life he will opt for. In view of all the temptations that cannot be immediately satisfied in a young kibbutz, such as travel abroad or studies, the young man naturally has doubts and is not certain that he would want to stay in the kibbutz. I personally prefer the doubters to those who make solemn promises they do not know they can keep. The present reality in the State of Israel is not encouraging for those who opt for the land settlement way of life; we have been invaded by materialism and cynicism. Miraculously, however, the settlement percentages of 40 years ago correspond to those of today. Considering how much reality has changed, I view this as a success, and not a failure, for NAHAL.

12782
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ISRAEL

'ATLIT PRISON AFTER LEBANON WAR EXAMINED

Tel Aviv BAMAHANE in Hebrew 9 Oct 85 p 49

[Article by Barukh Ron: "End of the Shiite Season"]

[Text] In 'Atlit prison they are resting up from the terrorists. The Ansar detainees were here 'only' 5 and 1/2 months, but what 5 and 1/2 months they were. What tension, what guard duty, what care. In the jail they say, whether seriously or in jest, the prisoners here had a 2 to 3 star hotel. Even if there is some exaggeration in that, relative to other prison camps of any sort--even relative to Ansar--it is certainly true. The former chief of military police, Brigadier General Me'ir Geva', always used to say that the military police and the entire IDF could be proud of that.

The blond hair of prison commander Lieutenant Colonel S. is not yet turning white. Believe me, he smiles, there is gray hair already, and more than one. He also says, in the same breath, that it is hard to give a short summary. Nevertheless 'Atlit today is on the threshhold of a new era. From enemy terrorists to our own deserters. A sharp transition.

Some 240 terrorists passed through the prison in the last 3 years, from 22 organizations. Among them the Shi'ite Amal, the Muslim (Orthodox) Amal, Hizballah, both factions of Fatah, the organizations of Nayif Hawatimah, George Habash and Ahmad Jabril, the Muslim Jihad, the Ba'th, etc. Most of them arrived from Ansar and were released in groups after the IDF withdrawal from Lebanon. A few of them were in prison longer, among them the 121 Jabril people who were released in the prisoner exchange deal.

In surveying the "terrorist era," Ansar is undoubtedly the point of departure. "The lessons that we learned there will be fully exploited back home," says Lt Colonel S. "We constructed a new form of handling, we organized and prepared the manpower, we studied the enemy, trying to understand the terrorist qualities and mentality. And it succeeded. We proved that it can be done differently from Ansar."

Here we did not hear about attempts at escape or incidents of violence, and, according to Lt Colonel S., there was almost no physical or verbal abuse. "I requested soldiers in compulsory service and not reservists to handle the terrorists. I wanted a young crew that had not been worn down in the past and that would not feel bitterness or anger. The prison corps passed a 10-day training course in Arab mentality and the necessary essentials in handling such a problematic population. All in all, the relations between the staff and the prisoners were good, in some cases even closer ties of friendship were forged."

The terrorists were assigned to their cells in "integrated" fashion and not by organization. "Such separation could have been seriously explosive for us," says Lt Colonel S. "Differences in ideology and in leaders were certainly felt among the various organizations, but in most cases these did not lead to physical confrontation."

'Atlit prison a month after. They are resting up, considering the lessons learned, thinking about today and tomorrow. From terrorists to deserters. A sharp transition.

9794
CSO: 4423/31

ISRAEL

SIZE OF BLACK MARKET ESTIMATED

Tel Aviv YEDI'OT AHARONOT in Hebrew 30 Jul 85 Business Supplement p 1

[Text] Those declarations about the war on "black capital" remind one of the saying that everyone talks about the weather but nobody does anything about it...Ever since the establishment of the state, its leaders have repeatedly declared a war on the underground economy. The more they declared, the larger that economy became.

Today, economists estimate, "black capital" amounts to around $25 billion! The tax burden on salaried employees, firms and independents, which has grown steadily, has caused a parallel development of ways and sophisticated methods to conceal income. Israel today is a poor country with wealthy citizens.

It seems that this time there is an end in sight. The government decided on an all out war against the underground economy, which prevents all economic planning. It is very doubtful, though, whether even today all those decisions which have been adopted and approved will ever be implemented--for one reason or another.

The stuggle against the black economy unites everyone--but declarations and deeds are two separate things. Concealment of income is seen and known to everyone. But no one is willing to help the tax authorities.

One of the problems which prevents reducing the phenomenon is inadequate manpower in the tax offices.

The person responsible for government revenues, Isra'el Baron, promises that starting in August (85) the tax authorities will hire about 500 inspectors to increase control over income. "Only permanent presence will prove itself, as was proven in the last taxation projects which were held throughout the country," say those at the revenue service.

No Sector Is Clean

As was mentioned above, the black economy has spread in all sectors of the economy and it seems that there is no "clean" sector. Some of the black capital was moved overseas and returns to Israel, as the years go by, all "laundered." Some simply remains abroad and is being invested there. The remainder is left in Israel and can be found in all sectors of the economy. It should be stressed that a considerable portion of income concealment is done perfectly legally: the stiff tax laws, which are cumbersome and complex enable legitimate tax evasion.

Where is the "black capital?"

Salaried employees. Anyone who thinks that this sector pays its true tax burden is mistaken. Some salaried employees do their own contracting after hours, or even during normal working hours--without reporting. Some conduct other lucrative businesses, which are not fully organized, such as bazaars of all sorts. There are those salaried employees who find other work after their normal jobs. They do not report their moonlighting jobs.

Agriculture. This sector, especially the vegetable growers, is totally open. There is no true reporting there. It is estimated that about 30-40 percent of all vegetables are brought to market outside the organized frameworks. From 10 to 20 percent of all fruits, especially citrus fruits, which are sold do not go through the organized channels. A similar percentage holds for poultry and eggs.

Who Conceals and How?

Commerce. This sector is also wide open, especially in the many open markets: Street vendors and bazaar holders are not among the ranks of taxpayers. Owners of legitimate shops do not necessarily report all their income, either. There are many and strange ways to evade taxes.

Imports. The method of tax evasion in this sector is quite sophisticated and requires a lot of expertise in all that is related to import procedures and the various duty laws. The principle is really quite simple: The importer reports to the customs officials that certain goods are being brought in, with a stated price which is higher than what he actually pays his supplier overseas. The difference is deposited in his account abroad.

Services. It is doubtful whether there is any one service branch which reports all income. The tax offices are helpless. They claim that "if citizens would only require receipts, it would be possible to catch the different suppliers of those services." Today the chance of doing that is rather nil.

Industry. The larger industrial plants do pay their true share of taxes. True, their tax rate is low, but this is the existing law. Smaller plants and workshops are like service providers.

It turned out recently that some large plants did not have all their export funds returned. Some funds were invested overseas. It was also found out that some companies, which established branches overseas with the approval of Israel Bank, used some of the legitimately exported funds for other purposes. This loophole has now been plugged and the Bank of Israel is very careful when examining applications to establish firms overseas.

"Black capital cannot be totally done away with," claim officials of the tax authorities. "This happens in other countries, too. But in Israel the phenomenon has surpassed all proportions and something has to be done in order to reduce it."

8646
CSO: 4423/82

SECTORS TO BE HURT BY UNEMPLOYMENT FORECAST

Tel Aviv YEDI'OT AHARONOT in Hebrew 12 Aug 85 Business Supplement p 1

[Text] Three population centers will be particularly hurt by layoffs in government and local government offices. This was reported by the committee which deals with unemployment pockets. The committee is headed by the general manager of the Welfare and Labor Ministry, Tzvi Tzilker. The report was handed to Prime Minister Peres on 11 August.

The report points out that among the large cities, the one to be hurt most is Jerusalem, where msot government offices are located. Jerusalem does not have alternate job opportunities for those laid off.

The Haifa region can also expect to be hurt hard. Even without the expected layoffs in the public sector, the Haifa region is the largest unemployment center in the country. Unemployment there grew with the layoffs of 900 workers at ATA.

The third sensitive center is the development towns, which even before the cutbacks had an unemployment rate of between 10 and 15 percent. According to these data, there are 11,000 unemployed in development towns, half of them having been idle for 6 days or more.

Another fact which should receive special attention: Cutbacks in the public sector will hurt mostly women, who constitute half of the work force there.

The report also addresses the question of how the economic plan, enacted in July, will effect employment in the coming months. Something rather shocking turns up: Close to 70 percent of the 23,000 workers expected to be laid off in the public and business sector alike will lose their jobs as a result of cutbacks in the defense budget.

The implications of cutbacks in the defense budget can be felt most acutely in the business sector. Reduced expenses can be expected to cause the laying off of 12,500 workers in the industry and construction sectors.

The report includes an enumeration of the impact of cutbacks in the defense budget on the various sectors: about 8,000 layoffs in industry, of which 4,500 will be from the metal, electronics, and transportation sectors, 1,500 textile and food industry workers, and another 2,000 in other industries. Likewise, because of cutbacks in construction projects of the defense system, and other problems of the construction industry, this sector will lose 4,500 of its workers.

It is doubtful whether the business sector, itself being reduced by 12,500, can absorb the 8,000 laid off from government offices, local governments and other public institutions financed by the government. This does not even take into account the laying off of another 9,500 from the public sector, because of "prior commitments."

The general manager of the Labor Ministry, Tzvi Tzilker, points out in his report that because of these "prior commitments" layoff letters were mailed to 6,000 teachers and the defense system has also committed to laying off 3,500 workers in the course of the current fiscal year.

At the same time, the report voices the hope that implications of cutbacks in orders by the defense system will not necessarily mean layoffs. The size of the layoffs will depend on the ability of the various plants to manufacture other products, for exports, for example. But these hopes are really not very realistic, at least for the next few months. The report, which was handed to the prime minister, also contains an assessment of the ability of various sectors to absorb workers laid off by the public sectors or as a result of cutbacks in orders from the defense system. According to this assessment: "No increase in the number of employees can be expected in industry. In fact, the number may even decline." The worst cutbacks can be expected in the metal, textile, and food industries. The report also expects stability in employment in the electronics industry because of higher exports. By the way, stability is also expected in the finance industry and in business services.

What is the bottom line of this analysis?

By the end of the year 17,000 workers will be laid off by the public sector, and another 5,000 from the business sector. In addition, in the next 6 months, the economy has to absorb 17,000 young people joining the work force for the first time. The report concludes: "The implementation of the new economic plan by the end of the year will bring about high unemployment by the end of 1985. The number will reach 125,000, compared with 85,000 today. The number of those unemployed for 6 or more days, and who register with the unemployment office, will reach 35,000, compared with 25,000 today. In other words, by the end of the year, and in the beginning of next year, unemployment will be 50 percent higher than today.

Prime Minister Peres received the report and met with Labor Minister Moshe Katzav in order to hear his emergency plans for the expected high unemployment. After studying the issue the prime minister said that unemployment has not yet reached serious dimensions, but he agrees that things may very well get worse in the near future. According to his estimate, there are still jobs that have not been filled. The prime minister repeated that the government does not intend to use unemployment as a vehicle for economic recovery.

8646
CSO: 4423/82

EMPLOYMENT SITUATION IN ARAB SECTOR REVIEWED

Tel Aviv DAVAR in Hebrew 18 Oct 85 p 18

[Article by Muhammad Khalilah: ["Unorganized Labor in the Arab Sector"]

[Text] The locksmith and carpentry workshops, and the block and metal enterprises currently functioning in Arab villages hardly provide enough work for their owners. And if a locksmith or carpenter employs one or two workers, they are organized workers. The Histadrut has not managed to organize the workers for various reasons, and there are no workers councils in most Arab localities.

Be that as it may, more than 80 percent of all Arab workers are employed outside their area of residence. And when there are layoffs, the Arab workers employed in various cities in the country are the first to lose their jobs. According to Histadrut officials and to the Professional Association dealing with the Arab sector, the number of unemployed is growing from one month to the next. They estimate that the percentage of unemployed is similar to that in development settlements and makes up more than 20 percent of the labor force. According to the Professional Association, the numbers provided by the Employment Agency do not reflect the reality in the area because the hundreds of unorganized workers are not registered at employment agencies.

Another few hundred workers are trying to find jobs by themselves, having given up on the employment agencies which failed to find work for them, and that still does not include the hundreds, if not thousands, of high school and university graduates who are not registered because they do not qualify for unemployment and secured income insurance. Another reason for nonregistration is that many villages do not have employment agencies, and if there already is such an agency, it is located tens of kilometers away from the village, and the registration involves travel and accomodation expenses in the respective town or village.

The Nazerat agency serves the town and the neighboring villages. In September, some 3,000 employment seekers were registered, as compared to 2,000 in August. The employment agency received 90 demands for workers from area enterprises. But, against the insignificant number of demands for workers, says the secretary of the Professional Association of the Workers Council, Muhammad

Abu-Ahmad, in the same month we received some 100 workers with pink slips in their hands.

A similar situation prevails in the other Arab localities. Similar unemployment figures apply to Shefar'am and its surroundings, western and upper Galilee, the valleys and the triangle, and mixed towns.

Abu-Ahmad bitterly stresses that the building sector in the north is almost completely out, no new buildings are being started, and that construction workers were the first to be hit. What is left in the building sector is finishing and repair jobs. Currently, he says, most of the laid-off workers are metal workshop and industry workers. According to him, there are no signs that the wave of unemployment and layoffs is about to end. Abu-Ahmad also points out that the spreading unemployment among the Arab workers perpetuates unorganized labor, and that under the very nose of an Alignment-ruled government.

The Nazerat Workers Council and the other worker councils in the Arab sector, aware of the seriousness of the problem and of its dangerous consequences, last week sent cables to all the relevant bodies, in which they pointed out the dire employment situation in the Arab sector, and asked the government and the Histadrut to take urgent steps to devise a suitable solution to this painful problem.

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ISRAEL

NEW RIGHT WING WEEKLY PLANNED

Tel Aviv BAMAHANE in Hebrew 6 Nov 85 p 18

[Article by Ya'ir Sheleg: "The New HAYARDEN"]

[Text] A new weekly is scheduled to join the crowded market of the Israeli press. HAYARDEN [The Jordan], a national weekly, or, as editor Aharon Ben-Ami described it: "The magazine will represent the Greater Israel line of thought in its broad spectrum." The last two words are meant to emphasize that the weekly will "allow" internal differences on various subjects and may even bring forward completely opposed views. The first issue is scheduled for the 6th of November ("if no changes occur"), and its price will most probably be 500 shekels.

Dr Ben-Ami, 60 years old, a resident of Ari'el in Samaria, is not a journalist by profession. He is a sociologist, and until recently a lecturer at the Bar Ilan University's Faculty of Sociology on Middle Eastern studies. He admits that his journalistic experience has been limited to publicist articles he has written for several newspapers. Consequently, it is to be assumed that most of the professional duties will fall on his deputy: Me'ir Ben-Gur, a veteran journalist (former secretary general of the Association of Journalists), who, together with this wife, writer Ne'omi Frenkel, moved to Qiryat Arba'a a few years ago.

In a discussion with Dr Ben-Ami, he tells us about the birth of the weekly: "For a few years a few friends and I have been toying with the idea. In fact, ever since the Six-Day war. At the time, the Greater Israel Movement brought out the publication ZOT HA'ARETZ, and another one, NEQUDA, appeared a few years ago. However, those publications concentrate on publicist articles. Our aim was to bring out something less intellectual, more directly intended for the wide public, more newsy and more popular.

"A few months ago we encountered a unique opportunity to implement our idea, in the shape of a serious financer who was prepared to devote some of his private fortune to the enterprise. That is how the firm "Jordan--Publishers" was founded. For the time being the firm will only bring out the weekly, but it may also expand to other areas." By the way, Dr Ben-Ami was not prepared to divulge the identity of the financial backer, "in order to leave the door open for others to join." All that he was ready to reveal at this stage was that the financer lives in the country.

Dr Ben-Ami proudly introduces the "editorial board" (a sort of council of managers, some of whom will also write articles). Its stars are prominent in the right-wing gallery in the country: Professor Har'el Fish, Dr Efrayim Eldad, Elyakim Ha'etzioni, Professor Ezra Zohar, Knesset Member Uzi Landau, Professor Yosef Nedava, and Gabriel Zifroni, "formerly editor of the revisionist newspaper HABOQER." An honorable place has also been found on the board for the veteran activists of Gush Emunim, Menahem Flicks and Avraham Mintz, two of the founders of Alon More.

Publicistic articles, the plague from which HAYARDEN wanted to escape, will not be lacking. The team of writers, admits Ben-Ami, is a more serious problem. "the team is still in the process of taking shape. To my regret, I cannot note the joining of veteran journalists, whose name alone is important for a paper. The paper will rely, at least in the beginning, on new and young writers."

And speaking of culture, I asked Ben-Ami whether reviews will be a priori dictated by the policitcal flavor of the newspaper. "It can be assumed that a play such as 'The Palestinian' by Sobol will be panned in your paper?" Ben-Ami: "I think it would be very suitable for us to review such a play, if we see it as a retreat from the values of Zionism. At the same time," he stressed, "we have agreed with the critic Or Zion Bartene that he should write purely professional literary reviews."

Among circles familiar with the birth process of HAYARDEN one hears the view that the motivation for its establishment was at least partly as a criticism of NEQUDA, which has become "too doubting and too open" (particularly in its critical attitude toward the "underground"). Dr Ben-Ami vigorously denies this: "we view NEQUDA as the publication closest to us. I even suggested to its editor, Yisra'el Har'el, that he write for us. We see no competition between the two papers. We only wanted a publication different from NEQUDA in two respects: firstly, a more popular paper, able to speak to broader strata of the population, and secondly, of a less purely religious character than NEQUDA, although not anti-religious by any means. As for openings, we intend to coopt writers who hold different views from ours, and also to give expression to internal differences within the public rallied around Greater israel."

Another claim we heard was that the publication of the newspaper is connected to an internal dispute among the Judaea and Samaria settlements concerning leadership and ideology. The dispute is taking place between the more moderate Ofra people, and the more extremist Alon More and Qiryat Arba' people. In this connection we should note that all the Gush Emunim activists on the HAYARDOAN board live in Alon More, except for Elyakim Ha'etzioni, who lives in Qiryat Arba', while the editor of NEQUDA and most of its writers live in Ofra and neighboring settlements in Eretz Binyamin. Ben-Ami strongly refutes this claim, too: "It is true that I have naturally included in the board, as a first stage, people who live close to me. But the board is by no means closed, and we definitely want to receive other elements, too."

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ISRAEL

DROP IN INTEREST RATES URGED

Tel Aviv MA'ARIV in Hebrew 22 Oct 85 Business Supplement p 9

[Article by David Lifkin: "The Prime Minister Will Be Asked To Decide About Lowering Interest Rates"]

[Text] Despite the fact that bank interest rates have dropped this week, various economic figures plan to bring pressure to bear once again on Prime Minister Shim'on Peres and on Finance Minister Yitzhaq Moda'i to lower the interest rates even further. These figures claim that in the present conditions there is no justification for high real interest rates, and that the promise given them at the introduction of the emergency economic plan, that interest rates will be only 1 percent higher than the rate of inflation, must be kept. They oppose the policy of the Bank of Israel, which wants to maintain a high real interest rate.

Heavy pressure was already applied 2 weeks ago on the Bank of Israel to lower interest rates. The heads of the Industrialists Association and the Workers Association insistently appealed to the prime minister and protested that the high rates of interest have not been adjusted with the drop in inflation. The spokesmen warned the prime minister that firms and enterprises will not be able to continue working and that bankruptcies are expected, something which will cause thousands of workers to lose their jobs. The prime minister waited for the return home of the director general of the Finance Ministry, Dr. Immanu'el Sharon, and assigned him to take care of the problem of lowering the interest rates.

Dr Sharon went to the Bank of Israel and requested that interest rates once again be examined. At the central bank, Victor Medina, manager of the Monetary Department and the man in charge of this matter, rejected the claims that the Bank of Israel is not doing anything to lower the interest rates. Medina pointed out data proving that the Central Bank has lowerd the bank rate by 50 percent in the past 3 months. However, he stressed, the Bank of Israel must proceed cautiously concerning both the pace and size of each cut in interest rates. He added that the pace of lowering interest rates in the economy is a function of the process of growth of demand for credit, and that one must prevent the danger of exploding credit in the economy.

Liquidity Deficits at the Banks

The banking system has shown no enthusiasm for lowering bank rates. Bank officials point out the fact that in the past weeks large liquidity deficits have been created because of considerable reduction in governmental flow, and thus the demand for credit has risen as a result of reduced foreign currency credit, and there is an excessive exploitation of credit lines in the economy. At one point, the liquidity deficits of the banks totaled some 300 billion shekels, and the banks took advantage of the monetary loans of the first and second degree that the Bank of Israel puts at their disposal. Thus, some bank managers believed at the time that there is no reason to lower interest rates, and consequently, some were of the opinion that if the demand for credit continues, there will be no choice but to raise the debt interest.

In the meantime, the banks competed for the jumbo deposits deposited on negotiable certificates of deposit, and were prepared to pay higher rates than normal. Bank officials claim that this situation allowed customers to take advantage of credit lines to take out loans in order to deposit the money in negotiable certificates of deposit and receive a higher interest than they were paying for the loans.

Bank of Israel officials inquired of members of the banking system what their position would be on a decision to lower the rates of interest. At the time of the inquiry no bank was opposed to such a decision, and consequently the Bank of Israel announced the cut in interest rates, but it postponed the implementation of the decision until Thursday this week. In this manner, the Bank of Israel thought it would dispel the public pressure brought to bear on it.

Government Offices Surprised by the Enactment Postponement

Economic quarters were suprised to hear that the central bank had decided to enact the interest cuts only 2 weeks after the adoption of the decision. Professor Michael Bruno, one of the architects of the economic program, expressed amazement about the delay decreed by the central bank in lowering interest rates. According to him, interest rates could have been lowered at once, without any additional delay.

The Bank of Israel rejects the criticism. Bank officials point out that under the economic program, they had been asked to lower the volume of credit in the economy by one third. The bank is carrying out these cuts gradually, but is steadily implementing the mission assigned to it.

Counterattacking, they recall that those responsible for the economic program had assigned the task of reducing credit to the Bank of Israel, while they themselves are incapable of carrying out cuts in the government budget. If the budget cuts are implemented as planned, then there will be less pressure to reduce credit in the economy. This shows that there is a direct connection between the degree of success attained in reducing the state budget and the volume of credit in the economy.

Consequently, the Bank of Israel will continue the policy according to which real interest rates in the economy will remain as high as it is necessary in order to curb demand in the economy by restricting credit, with a view to precluding a considerable explosion of the credit framework. The position of the Bank of Israel is that it will be possible to accelerate the pace of lowering interest rates in the economy only if demand from the public sector is further curbed through cuts in the national budget, instead of the heavy restraints required in the area of credit. The central bank is pressing for considerable cuts in the national budget for the coming year, too.

In the controversy about interest rates in the economy, Bank of Israel points to data proving that a large number of economic enterprises benefit from the adjusted credit granted at cheaper rates of interest than the free shekel credit. In addition, the enterprises also enjoy cheap supply credit from abroad as compared to the usual cost of bank credit. Consequently, the volume of free shekel credit is lowwer than the volume of adjusted credit.

However, various economic figures warn against high economic rates of interest. This is a destructive rate of interest, they stress, and the economy will pay dearly in terms of business complications. Therefore, it is better for the interest rates to be lowered now, than to have to pay a high price in the future, through an outflow of considerable amounts from the state funds in order to bail out enterprises and prevent layoffs of thousands of workers. In their view, the burden of restraints should not fall on bank credits, but should be achieved through other means, less painful to the producing economy.

Waiting for Peres' Return

Additional clarifications are now expected from the prime minister on the subject of interest rates. These will occur upon his return from abroad, within the framework of discussions on ways to restore economic growth, in the light of the data on the results of the economic policy.

In point of fact, the prime minister serves as chairman of the advisory board of the Bank of Israel, the body steering the policies of the central bank, in keeping with the government decision. As is known, there are differences of views about the composition of the advisory board of the Bank of Israel, and that is why the government has assumed the prerogatives of the board. This means that the economic figures look upon Peres as the authority that is to deal with urgent monetary matters.

When will the next cuts in bank interest rates occur?

Economic figures demand that the next interest rate lowering should come already at the beginning of November. The Bank of Israel, however, believes that the data and the results of the economic policy should first be considered, and that a decision on lowering interest rates should be taken on the basis of those findings. The decision will once again be up to the prime minister.

Interest Rate Cuts

	Free credit in shekels	Free credit in foreign currency (in shekel terms)	Total free credit	Adjusted credit	"Target" credit
June	20.4	22.3	20.9	21	20
Sep	12	1.6	9.8	9.1	6.8
Oct	11	2.5	8.4	4	5.5

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ISRAEL

WEST BANK INTELLECTUAL FAVORS ANNEXATION

Tel Aviv KOTERET RASHIT in Hebrew 13 Nov 85 pp 15, 17

[Article by Mikhal Sela: "Nusaybah: 'Yes, to Annexation'"]

[Text] Sari Nusaybah, 36, is a lecturer of Muslim philosophy at Bir Zayt University, who for 2 years studied at the Hebrew University. He is one of the four board members (the others are Hanna Sinyurah, Ziyad Abu-Ziyad, and al-Rayyis) who founded the weekly AL-MAWQIF. His idea, to annex the territories and their inhabitants to Israel, is not an ironical reaction to the situation there. "I do not have a sense of humor," he says, According to him, this would be the best solution in the present conditions. "Socrates, too, differentiated between the ideal model of a state and the actual reality." He believes that if the Palestinians become Israeli citizens, they will be in a position to win 12-16 seats in the Knesset and to have an impact on the realization of their interests through the state.

[Question] What is the final objective?

[Answer] The final objective is to be free of you and to establish a state of my own, with a parliament and government of my own, a state in which I can participate in building my own future and that of my children.

[Question] Would annexation not reduce your chances of achieving a state of your own?

[Answer] Yes, it will make it difficult. But it seems to me that if things continue to evolve along the present direction, the chances of this ideal coming true will disappear altogether. We must find something else, the best possible for us.

Today I still hope to win independence. But let us suppose that tomorrow the Palestinians, the Arabs, and the Israelis do not manage to settle the disputes between them, that Shamir replaces Peres, that the PLO hardens its position even further, and that additional settlements are built--then the West Bank would become so interwined with Israel that there will be no point in talking of a partition.

[Question] Why not become annexed to Jordan?

[Answer] Enjoying sovereign rights in Jordan means stifling our Palestinian identity and replacing it by a Jordanian one.

[Question] Jordan is Palestinian in its majority.

[Answer] From your point of view.

[Question] You are seeking a parliament. There are two: one in Jerusalem, and one in Amman.

[Answer] There is one in Palestine and one in Jordan. For me it is more natural to realize my sovereign rights through the parliament in Jerusalem, where I was born. Here, at least, I can vote. There, there are only appointments.

[Question] Your father served in the political apparatus there.

[Answer] When Jordan was linked to the West Bank, that occurred as a provisional arrangement. If something is to happen now, I would prefer a final settlement.

[Question] What is wrong with autonomy?

[Answer] There it is a question of civil and religious rights, and right now what Peres is talking about is a quantitative change. I want a qualitative change.

[Question] The talk is of an interim stage.

[Answer] If Israel knows that the objective is to establish a Palestinian state, then why not take a short cut and speak directly and immediately with the Palestinians, face to face, and settle the problem of their aspiration for independence? Why bring them under the Jordanian blanket? It is truly absurd to expect me to vote for a Jordanian parliament and live under an Israeli government.

A Law of Return for Palestinians, Too

[Question] How do you picture life within the State of Israel?

[Answer] We would be the Arabs of '67 instead of the Arabs of '48.

[Question] You agree that you are not a part of the Israeli Arabs?

[Answer] If we live within one state, then there will be no difference between the Tulqarm Arab who votes for the Knesset, and an Arab from Umm el-Fahm.

[Question] The Israeli Arabs think of themselves as part of Israeli society. They read Didi Menossi more than Najib Mahfuz.

[Answer] In the society I am talking about Ziyad Abu-Ziyad would have his permanent column next to Didi Menossi.

[Question] You are talking about assimilation?

[Answer] As a nation, we have strong traits and national aspirations. Those we will always have. Nevertheless, we will be able to assimilate and become a part of Israeli society.

[Question] You want to be an Israeli, or a Palestinian in a democratic state?

[Answer] My ideal is a democratic and secular Palestinian state. If your question implies the loss of national identity, then the answer is no. Quite the contrary: I would continue my struggle as part of a lengthy historical process leading up to the democratic Palestinian state, but the struggle must be waged with democratic means.

[Question] What would you do within the framework of this struggle?

[Answer] I would suggest amending the law of return, so that it would apply to both Jews and Arabs.

[Question] For which party would you vote?

[Answer] I would establish a party of my own.

[Question] The Israeli Arabs have not managed to found a party.

[Answer] The entire political map would change.

[Question] What would be the platform of your party?

[answer] First, the return of all Palestinians from the diaspora. Secondly, equal civil rights, including military service.

[Question] Why not join the Citizens' Rights Movement?

[Answer] Are they willing to let the Arabs return?

[Question] The Progressive List for Peace does not meet your needs either?

[Answer] At the moment their platform calls for a Palestinian state under PLO rule. At the moment--perhaps I would vote for such a platform. But in terms of the future--if in 10 years time we see that there is no room and chance for a state--I would want what I said.

[Question] What would be the name of the state?

[Anser] If we have the majority, I would change the name and the flag. If not, then I would wait. In 20 years time we would have the majority.

The Gap Between Behavior and Consciousness

[Question] Is Palestinian society ripe for such an idea?

[Answer] If things continue as they now are, within 5 to 10 years the practical implications of life would penetrate people's consciousness, too. People would then understand that they are behaving as if they belonged to the State of Israel, and would accept this as a logical solution. Today there is still a big gap between behavior and consciousness.

[Question] In the meantime, your suggestion is being ignored.

[Answer] Not true. I have expressed in writing what many think. It has definitely elicited public discussion. Recently I have even been attacked for it by the Muslim Brothers at Bir Zayt. One quarter of their publication marking the anniversary of the Balfour Declaration was devoted to my proposal.

[Question] Why do you not try to mobilize people into a movement?

[Answer] I, Sari Nusaybah, cannot lead an annexation movement. The leaders would not be intellectuals, but businessmen, people motivated by economic interests, and the leaders of the professional associations in the West Bank, which are nothing but political organizations. Today they wave the Palestine flag--tomorrow they would understand that the dream has collapsed.

[Question] This week, AL-MAWQIF reported on its front page that there is hope for a peace conference in January 1986.

[Answer] If in January I am requested to chose clearly between autonomy and annexation, I would say: annexation!

[Box on page 17]

In Favor of Joining the State of Israel

On 19 October Sari Nusaybah published an article in AL-MAWQIF, one of the East Jerusalem newspapers. Here are a few selected passages from that article:

"By definition, autonomy does not grant full political rights. On the contrary, it provides private human rights, such as freedom of expression and movement. It also aspires to grant some collective human rights (such as city hall administration), but it does not allow the individual or the collective to realize their sovereign right to manage their affairs.

"Joining the State of Israel (...) would permit the individual and the collective (...) to participate in managing their sovereign affairs within the framework of the existing legislative authorities.

"The sovereign prerogative of self-determination, acquired through full participation in the realization of the political rights enjoyed by a normal citizen in his country, includes the right to elect representatives to the legislative authority of the state and to be elected to the executive arm.

(...) This prerogative does not exist within the framework of autonomy, but it does exist within the framework of fully joining the State of Israel.

"As the citizens of a conquered land, it is incumbent upon us to stop and consider these possibilities, because at a certain point it may be better for us to assist in the miracle of the "joining" and to receive equal rights. If we find that the slogan brandished now, that of an independent state as a nation with its own identity, cannot be implemented and there is a trend to replace it by autonomy, it is better to struggle for this objective."

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KNESSET MEMBER OPPOSES DEFENSE BUDGET CUTS

Tel Aviv 'AL HAMISHMAR in Hebrew 3 Sep 85 p 6

[Article by Knesset Member Shevah Weis: "Bordering on Calculated Lack of Caution"]

[Text] The State of Israel's defense budget is its largest budget and in comparative and relative terms, the largest in the world. It comprises more than a quarter of the total budget and if we add to it the reserves budget and other strikingly defense-related costs, in the area of the civil guard, and in the area of building ("bomb shelters") then it is more than a third of the country's budget.

As to the type of government--Israel is still the Athens of the Middle East, but militarily she is without a doubt Sparta, or as sociologists like to define it: 'an army state.'

When the economy is in difficulty or in crisis, the voices asking that the defense budget be cut increase. These voices are heard loudly these days. These voices are heard from the left and their criticism of the size of the defense budget is connected with their overall approach to defense policy. The impression is created that he who thinks that Israel is the aggressor of the peace-rejecter, also claims that she exaggerates in her defense expenses, not out of defense need, but rather out of sticking with an aggressive policy.

Such criticism was heard when Ari'el Sharon was the Minister of Defense, but it continues and perhaps at greater strength, even now, when the left and members of the Labor Party itself are describing the present Minister of Defense in terms of activism. Rabin was not helped by the fact that he is the man, who within a very short time period brought the boys home from the killing fields of Lebanon. Those who attach labels, the professional stereotypers, maintain their pre-formed model and do not move from it. Also their criticism of the defense budget is nurtured by their anti-Rabin tendencies.

However, people from the Likud such as Dan Meridor, Olmert, and members of the center such as Ben-Eli'ezer, and additional members in the foreign affairs committee and defense committee are voicing criticism of the size of the defense budget. Thus it will not be precise to determine that all the criticism is anchored in prejudiced ideas about the defense budget, on Israel's peace-rejection, or on dislike of the Minister of Defense.

An Adventurous Gamble

There is no doubt that any cut in the defense budget is likely to turn much financial energy to other channels of activity, since every large object in the defense field is weighed against tens of thousands of dollars. It is enough to write that declining to acquire two sophisticated airplanes and channeling this money to the health system is likely to unrecognizably improve the situation in this important area. But no one can prove that additional reduction of the air force will not prove an Achilles heel in Israel's robustness and her defense capability. Thus the danger is great and there is something of an adventurous gamble in taking these chances.

I must admit, based on clear and detailed knowledge, that since Rabin entered his position, a recognizable reduction in the defense budget has occurred--a reduction which has taxed the delicate balance between the necessary and the beneficial, between the important and the existential.

It is permissible to assume, that in the area of expensive outfitting and the cost of routine operation, Israel has reached the limit of calculated carelessness. Anyone who rushes to take additional chances, will be entering the area of danger. It is important to know, that life comes before the good life, and it is forbidden to endanger life itself in order to have more comfortable living conditions. The demand for cuts for the affluent, whether self employed or not, is therefore more moral than the demand to tighten the defense belt any further.

Cancellation of the Lavi Project Against Unemployment

Moreover, those who aim for peace via territorial compromise, and even those who base their peace plans on the establishment of a Palestinian state, must preserve the IDF's military strength. Those who desire to prevent war, must be on the side of initiating peace, must strengthen the IDF's deterrent ability. When peace comes to this area, it will be "armed peace" for a long time.

Those who want to cut the defense budget have additional arguments. They want to cancel the Lavi Project, to cut the food and other services to soldiers. As to the Lavi Project, its cancellation will not, at this time, save Israel any money whatsoever, since the financing at this time is American and cannot be channeled into any other area of aid. Thus the real alternative is foregoing this aid and using it to buy ready made airplanes, while firing thousands of engineers and technicians in Israel that are now working on this project.

He who protests the trends in unemployment spreading in our economy, yet wants to cancel the Lavi Project, is contradicting himself. If in the future it becomes possible to use some of the funds from this project for other production channels in Israel, then perhaps it will be worth making changes in this project, changes that do not hurt the security or the economy of the State.

Especially annoying is the advice to cut the level of life of the IDF. We are all fathers of soldiers, we do everything to give our children warmth, good abundant food, to spoil them, give them good clothing and a good home. The "Jewish mother" and even more so the Jewish father are harnessed heart and soul to the long journey of raising their children. Yet see what a miracle, these critics bearing advice, parents of children, are requesting to cut the level of the food, the level of housing and level of personal equipment of their children, exactly at the hardest time of their lives, the time of their military service! What a paradox!

To Strike Where Necessary

Of course, it is understood that occurrences of needless waste must be reduced and cancelled. The IDF must act the same as all public services. Thousands of tons of paper are wasted on games of suffering bureaucracy. Thousands of tons of paper are wasted on games of suffering bureaucracy. Thousands of pseudo-professional journals, and sectorial publications and thousands of needless meetings due to honor. Thousands of events of "Let's Get Together" in fancy restaurants, at the expense of the public. Millions of private telephone conversations in public offices. Thousands of tourists from various and sundry foundations traveling from one end of the universe to the other. The prophets at the gate preaching to cut the level of life in the IDF are full partners in these last days of Pompei of public waste, so why is their venom coming out against the IDF?

The IDF must make do with a minimum, must save, must avoid wastefulness, but others must more so! It is important to know that the IDF is strong and well equipped, a deterrent, which has a policy of effective training of its soldiers and its officers, necessary and positive exactly in this era of moving toward peace and order.

As for myself, I am ready to move in the path of peace, via territorial compromise and political compromise, perhaps more generous than that which appears in the platform of my party, but I will find it difficult to take this path if I do not feel enough security in my army.

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ELTA INCREASES DEFENSE EXPORTS TO ASIA

Tel Aviv DAVAR in Hebrew 6 Sep 85 p 5

[Article by Hayim Bi'or: "Elta Increases Export of Warfare Material to the Far East by 65 Percent"]

[Text] The Elta corporation, which is a subsidiary of the Israeli Aircraft Industry, this year increased its export to countries of the Far East over 1984 by 65 percent.

Export of the company to these countries this year will reach $20 million in contrast with $12 million last year, and it includes systems for electronic warfare, radar, military computers, and communications equipment.

The portion of the Asian market in Elta's export is greater today than the portion of the American and South American markets. Exports of the company this year come to a sum of about $70 million, in contrast with $50 million in 1984 and $25 million 2 years ago.

Elta, which has a plant in Ashdod that employs 2,200 people, is participating in the Lavi Airplane Project, for which it is developing electronic warfare systems for $20 million. The Elisra and Rafael companies also received equal portions of the work under the framework of the Lavi Project.

The chairman of the Board of Directors of Elta, Major General David 'Ivri reported that next month the company will come out with a public issue of stock, in order to raise $13 million, which it requires for its technological development.

Raising the capital, if successful, will cover a large portion of the company's development program, which stands at $18 million. At a further stage Elta also plans to enter the American stock exchange.

Elta is one of the four plants of the Electronics Division of the Israel Aircraft Industries. This division, which has 6,000 employees, last year executed export of $400 million, and already has orders which come to a billion dollars.

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ISRAEL

NEW GUN LAWS ENACTED

Tel Aviv HADASHOT in Hebrew 10 Oct 85 p 10

[Article by David Golan: "Ammunition--Not for Everyone"]

[Text] Within 2 weeks the Ministry of the Interior will be putting out new regulations on granting licenses for carrying weapons. According to the new regulations he who requests a license will have to prove with documents that he requires it for self defense, and the license will only be granted after he proves that he indeed lives far away, in a remote location, deals with money, or works/lives outside the boundaries of the green line.

According to the regulations in existence today, anyone who wished to carry arms could do this on the condition that he did not have a criminal past record and was of sound mental health. The aide to the managing director of the Ministry of the Interior, Ya'aqov Markovitz, said yesterday to HADASHOT that it has been proven that many weapons which were licensed have been stolen, used for committing suicide, or have caused tragedies as a result of sloppiness in caring for them. It was not proven, that they aided real needs for self defense.

According to him, out of 180,000 weapons purchased with a license, 1,000 were stolen over the last year from homes or from motor vehicles. These weapons, according to him, make their way to the underworld or are sold to hostile organizations.

Markovitz also mentions, that people here use weapons in neighborhood fights. "Our population is quite varied," says Markovitz. "It contains internal tensions and the matter has to be studied in a wider light, before we turn into a Wild West."

Recently, Ya'aqov Markovitz met with the commander of the Civilian Guard and suggested a number of solutions to the matter of protecting tourists. Among others, the possibility was raised of having a member of the civilian guard accompany every group which goes out on a trip, armed. "There must be control and supervision of arms, while giving a sense of security and self defense to the citizens," concludes Markovitz.

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ISRAEL

VIABILITY OF HIGH TECH INDUSTRY DISCUSSED

Tel Aviv HA´ARETZ in Hebrew 15 Sep 85 p 15

[Article: "Underprivileged Samson? Discussion on High Tech Industry in Israel"]

[Text] Two basic questions were presented to the participants in the discussion: A) Are high technology industries in Israel an economic "Samson" that can move the economy towards economic independence?

B) What difficulties does this industry face, many of whose captains are demanding assistance and encouragement from the government?

Other subjects also came up in the discussion. Following are the highlights:

Israel Adir, Managing Director, RDT Electronics Engineering: If I did not believe that advanced technology is the basis of Israel´s economy, I would not have entered this field, and I certainly would not continue developing it for the past twenty years, first as an importer and provider of services and recently as an industrialist. But there are problems.

One problem I see in the area of advanced technological industry in Israel lies in lack of awareness of the importance of the business sector. The industry is not capable of working without a commercial framework, which includes imports and services.

Lack of awareness of the importance of the business sector hurts the industry. The merchants´ law initiated by the Minister of Defense hurt the system very much. Lack of awareness also finds expression in taxation. The government imposes taxes on software and on computers, while they are vital components of development of high technology, which is destined primarily for export.

Another difficulty lies in marketing. The Chief Scientist of the Office of Commerce and Industry gives funds to encourage development but there is no one to really finance encouragement of marketing, and without a real marketing set-up there is no real export. This problem is not so serious for large companies, but little companies, like RDT Industries, which develops sophisticated systems for analysis of printed circuits, needs encouragement.

Professor Hayyim Aviv, specialist in general Biotechnology, of the Weizmann Institute for Science in Rehovot and the Science Center in New Tzivona: High technology industry is the best solution for Israel, since it is what we have. We have no natural resources. But we have the manpower with potential for developing knowledge. However, this is the solution for the middle or long term, and not for the short term. In the long run, there are no solutions to the problem of Israel's balance of commercial payments, not in agriculture and not in low tech labor-intensive industry. This does not mean that they have to be abolished, but we have to put together a ranking of priorities and on the upper rungs we have to place high-tech industry.

Both for economic reasons and social reasons we have to have a varied economy. Some personnel in Israel will never be suitable for employment in high tech industry. We have to provide employment for others. Part of this concern includes giving a shot of knowledge [high tech] to branches that today are low tech ["poor in knowledge"].

It must be clarified that when speaking of high tech industry, the reference is not solely to electronics. My field of specialization, biotechnology, becomes more and more high tech with every passing year.

[HA'ARETZ] Is the basket of advanced tech industry varied enough in Israel?

[Professor Aviv] It is varied enough but there is certainly room to enrich it. I will add another perspective to the discussion. We have a huge reservoir of knowledge in the academic world. We must build bridges for transfer of technology from acedemia to industry. Unfortunately, academia serves as an easy target for budget-cutters, every time belt-tightening is required, but captains of industry must comprehend that it is forbidden to make cuts in the sciences, for without them there is no development and no industry in the future.

In conclusion, I believe that despite the problems and difficulties, Israeli industry will be the principal factor in healing the economy even prior to the end of this century, and it will also bring improvement in the society and quality of life.

The benefit that it will bring will free us more to deal with culture and spiritual things, which in fact are the most important.

Elisha Shahmon, president of "Motorola Israel" and, until recently, of the Export Institute and president of the Organization of Electronic Industries in Israel: High tech industry in Israel developed principally from the electronic branch, and this branch developed and expanded until it became unrecognizable over the years. Today we are speaking principally of industries which produce medical systems, civilian communications, systems for water control, agricultural systems, computers and peripheral equipment, computerized graphics, electro-optics, electronic parts and sophisticated military systems.

The electronic industry began developing in Israel in the sixties. At the time it brought in a few million dollars. This year we are talking about $1.8 billion, half of which is export.

In this industry the Value Added Tax is high, much higher than 60 percent. According to the employees´ VAT law, it is among the highest in industry in general, and comes today to more than $50,000. An especially high percentage of the personnel employed in this industry (45 percent) are technicians, engineers, and quasi-engineers. The result: a high percentage of R&D. This requires much risk capital, but it bears fruit: the new innovative products that were developed here are those which we export. And export is one of the principal causes of our high growth rate: more than 20 percent per year. All of these lead to the conclusion that high tech industry will enable us to stride toward economic independence.

It is important to note that over the years the percentage of locally developed products in our market basket of products has increased. Once we had to make do with 25 percent. Today it comes to an average of 75 percent. To reach this situation, we invest about 10 percent of our return in R&D.

There is urgent need to reduce the gross salary cost to plants (to be distinguished from the next amount which remains in the employee´s hands) by reducing the direct tax paid by production workers. Only by reducing production costs can Israeli industry improve its ability to compete in the world.

The matter of marketing abroad was mentioned. It must be understood, that development of a marketing array abroad costs three times more than development of the product. Opening a representation office in the United States costs at least a quarter of a million dollars.

Zalman Shalev, managing director of Elisra: A trip of a team sent to demonstrate an Israeli system abroad costs several tens of thousands of dollars. And without a few of these trips, every year, it is nearly impossible to promote sales.

One of our problems is the absence of a government program. The State of Israel must plan. Here we talked about development areas, but no general plan crystallized. If the investments in the educational system and professional training were combined with the investment in factories, and steps in a defined direction were made, it would be possible to find a solution to the problem of the development towns. But there is no coordination between government offices.

There is not even a unified policy in a single office, like the Ministry of Education and Culture, or the Ministry of Labor and Welfare. I am a member of the directorship of ORT. This is an organization which deals with professional training. If the Ministry of Education and the Ministry of Labor would cooperate with the directorship of this organization, it would be possible to do much more to advance the professional level and develop professional personnel in the country. The IDF did not rely on outside forces and developed its own system for training personnel.

If we want to develop a quality society here, which also enjoys cultural activities and a high salary level, and not slide to the status of one big development town, we have to concentrate on subjects that promise the highest possible return. The highest return lies in high tech industry. Elisha [Shahmon] noted that within two decades this industry grew form a few million dollars to close to $2 billion. This is an achievement made by few in the world.

The problem of Israel industry stems from the limited scope of the local market. We must export in order to exist, and in order to succeed in exporting we must have government encouragement. We will not be able to develop, to create, and to export with success when we are bent under a heavy basket of taxes. Every dollar which we pay an engineer, costs us $5 gross; an engineer costs us more than a comparable company in the United States. As long as the taxing system is not corrected as regards industry, it will not have the power to lead the economy towards economic independence.

Emanu'el Gil, president of Elbit Computers: When you speak of leading the Israeli economy toward economic independence, you must look for industries with high added values rather than high tech industries, even though in most cases they are one and the same.

Israel is suffering from a gap between intentions and results. The government is interested in helping industry. Its principal job, from the point of assistance, must be to focus on planning. The government must also deal with development of the infrastructure. It is not feasible that it takes hours to travel from Tel Aviv to Carmi'el, and it is not feasible that the telephone system requires so much time and so much nerves, and that such a great number of wrong numbers are received, and it is so unreliable for data communications.

As for marketing, not all the mistakes are to be blamed on the government. When a company--especially small and just starting out--wants to develop a product for marketing abroad it must start with serious market research. This is expensive but necessary. The best way is first to develop a product which can be tested on local customers. A product which succeeds here has good chances for success abroad as well. When a product is developed, which from the start is intended for marketing abroad, from the start there are problems due to great geographical distance between the developers and producers and consumers.

Yehuda Shin'ar, managing director of Exatec (a young company which developed and produces IBM-compatible computers, primarily for export: There is a basic difference between a plant which develops products for the military and later develops versions for the civilian market, and between a company which from the start develops for the civilian market. In the high tech field and in a place like Silicon Valley, things are relatively simple: a product is developed and produced, installed for a nearby customer, feedback received from the field, improvements installed, the circle of users widened--and you are on the road.

An Israeli high tech producer needs an American or European market. This market is far from him. In order to get quick feedback, necessary for the development of successful products, a system for marketing and support abroad is necessary. The assistance of the Chief Scientist in the stages of research and development is most important, but there is no similar assistance for marketing. The Government of Israel says: you are authorized to invest in advance of the marketing 10% of the scope of your exports. But how do you get to significant export without early-on investment in the marketing network?

Emanuel Gil: Perhaps the required conclusion is, that an Israeli company has to develop only products which can be initially successful on the local market.

Gil Weiser, general manager of Digital Israel, a subsidiary of the second largest computer company in the world: Despite the fact that the last two years showed signs of a slowdown in the branches of electronics and computers, there is no doubt that the raw potential in high tech industries is great. Israel enjoys a high prestige reputation. Leading companies such as Intel, National Semiconductor, Motorola, and Digital have established development centers in Israel. On the one hand, this is proof of the great respect which these companies have for the potential of knowledge in Israel. On the other hand, the knowledge and technology which the parent companies transfer to their people in Israel, for purposes of research and development in Israel, increase the local potential. The presence of foreign companies contributes much to Israel, both in information transfer and in the development of expertise locally by financing of R&D.

[HA´ARETZ] Is there no fear that these contributions to research will be accompanied by dictation of the topic for research and the drawing of research from Israel abroad?

Weiser: In the overall majority of cases, the process is the opposite, the foreign company asks what Israeli academic scientists are working on and supports those research projects which interest it. Of course, Israeli researchers who later leave for sabbaticals or post-docs or to research centers of foreign corporation abroad, bring with them their knowledge and experience, but on their return to the country they return with knowledge and experience acquired abroad. This mutual fertilization is useful for all involved.

Moti Carmel: general manager of ´Daisy, Israel´: There is a tinge of pessimism in all that has been said up to now. I see things with glasses that are more rose-colored. First, the percentages of Israeli success is much higher than that abroad. In order to continue succeeding, the most suitable product for the chosen market must be found. For example, the Lavi airplane is not this kind of product: Israel has no relative advantage over the giants with which it competes in this realm abroad. If the consideration is the security of Israel and the reduction of dependence upon foreign factors, that is another matter.

´Emanu´el Gil: Thanks to projects like the Lavi, many sophisticated systems have been developed in Israel which are taking up a large percentage of our exports.

Moti Carmel: When speaking of defence, many of the considerations are different than those for the civilian market--and Daisy principally develops civilian systems. We have to aspire to a situation in which an Israeli company stabilizes with one foot in the country and one abroad in Silicon Valley, and this is what we did and it is good, because if we had started in Israel, we would not have achieved the initial surge that we did abroad, in the United States. In Israel we are changing over from development to production, and are predicting that within two years we will achieve sales of a total of $50 million. At the same time we also are expecting difficulties, principally in being able to maintain the excellent personnel which we require.

To date we have brought half a dozen employees from our parent company in California to Israel. These are Israelis who were pleased to return to the country but with each passing month bringing with it an additional erosion of the salary, and with a small salary after withholding, in comparison with what remained the net salary from the very same salary in the United States, the motivation is wearing.

Yig´al Erlich, the chief scientist of the Ministry of Commerce and Industry: Industry is the solution for reduction of the gap in the balance of payments of Israel, and the high tech industry leads in this realm. The government is trying to help this industry, among other things by means of the Office of the Chief Scientist.

In the past years the Ministry of Industry and Commerce has taken a very liberal policy in all that concerns encouragement of R&D. We made no distinction between large companies and small and between fields. Certain criteria were established; whoever met them was entitled to receive a grant and encouragement but without any interference with what happened in the field.

The Government of Israel is willing to allocate resources in order to advance binational cooperation in R&D and thus to increase flow of risk money from abroad for the financing of R&D projects in Israel. When a binational fund is established the principle is equal participation of the two governments in the investment and in the profits coming from it. Today there are funds with the United States, with Canada, France, Holland and South Africa.

Yisra´el Baron, responsible for government revenue: One of the questions which troubles developing countries and countries that encourage development is--if government support has to be direct, budgetary, or via the instrument of taxation. Israel today has had a mixed policy: on the one hand, financial grants were given to factories, subsidized loans and tax reductions.

The tax reductions caused some distortion. In the benefit period, all is good and well, but when the benefit period ends and the factory enters the regular tax channel, it looks narrowly at its younger neighbors, who are still enjoying benefits and are competing for the market.

The pressure is ebbing for giving incentives to industry via taxes. The question is asked: assistance how, and to whom? During the period of Pinchas Sapir the textile industry received preference. This "specialization" was detrimental in the long run. It is preferable to assist a varied industrial basket, and to assist small and large factories as one. If we succeed in developing a small percentage of "successes" out of the total-- that will be enough.

The Elscint Law was intended to open non-governmental sources of capital for industry. This is a relatively new law intended to reduce somewhat the pressure placed on the Chief Scientist. Last year about $120 million was raised this way. This year it is harder to raise money and yet a similar scope is expected.

The law to encourage investment of capital is intended to promote establishment of new factories or to enlarge existing factories and the tax percentage will be 10-25 percent. We are now preparing an additional channel of benefits, which will offer the investor the possibility of requesting a low interest grant, or of passing up the grant and being exempted from tax for several years, or of paying a very low tax.

As to the tax instrument in encouraging industry, a committee I appointed is now acting to examine means of creating a situation in which the net received by the employee increases without making the cost to employers more expensive. It is not easy to find a way to do so, but the only way to decrease costs of salary to employers is via the tax instrument. I believe we will find a way, and then we can all be optimistic.

[HA´ARETZ] One of the more outstanding laws for encouraging investment in industry was the Ronel Law which recently expired, after 10 years of existence. What will replace it?

Baron: The Ronel Law was intended to encourage foreign investment in an economy suffering from inflation. When inflation passed 100 percent in 1981, the situation was created in which companies showed great profit on the stock exchange, but did not pay tax at all, or paid at ridiculous percentage rates. Accordingly, when this law expired, we decided not to extend it.

Shahmon: The considerations of the Treasury in deciding not to extend the Ronel Law are understandable; however, a fact of life from the area of high tech industry should be taken into account: the process of R&D takes a few years. A project started a year before the Ronel Law expired, will end--let´s say--in 2 years. In such cases the law should be in effect until the end of the project.

Baron: the date when the law expires was known to all affected parties. Planning should have been made accordingly.

Shahmon: The wheels of R&D cannot be stopped a year before some law expires, and in addition, over and over government sources calmed us saying: do not worry, a way will be found to extend the length of the law which encourages foreign capital investment in Israel. It is conceivable that now suddenly overnight companies who are making a worthwhile contribution to the Israeli economy should be so affected.

There is no disagreement on the size of the contribution. The 80 companies established in Israel in the area of high tech industry exported close to a billion dollars last year. However there were those who claimed that this was capital which was invested in the country and then taken out of it. This is not so. We checked the 80 companies and not one took its profits out of the country. However, should the day come that a company is found which will take some of its cash out of the country, we will have to find incentives to bring it back.

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KINNERET WATER QUALITY IMPROVES

Tel Aviv HA'ARETZ in Hebrew 23 Sep 85 p 11

[Article by Eli El'ad: "Good News from the Kinneret: Data Over Recent Years Shows that Positive Processes of Improvement in the Quality of the Water are Occurring in the Kinneret."]

[Text] The quality of the water in the Kinneret, the principal reservoir of drinking water for the country, is improving. No longer is there talk and dire forecasts that the lake is in danger of dying. Data over the last 3 years show that positive processes are occurring in the lake. Cautious forecasts are coming to pass, as predicted 4 and 5 years ago by Professor Colette Soroya, then director of the Kinneret Laboratory and today managing director for Lake and Sea Research, and Dr Moshe Gofeu, then a senior researcher and today director of the Laboratory for Kinneret Research.

The picture forming is definitely encouraging; however, alongside it there are also certain negative developments, which cause worsening of the quality of the water of the Kinneret, at certain seasons during the year. However these also can be treated.

Today the Kinneret supplies about 430 million cubic meters of water per year--about a third of the national water consumption. Half of this quantity today is used for household needs. That is, this water is supplied in quality of drinking water. In the near future, this amount is said to be going to rise to 70 or 80 percent.

The data that more than anything make tangible the positive directions, are principally in the clear decrease during the last 3 years in the quantity of nitrogen in the Kinneret waters and a certain decrease in the quantity of phosphorous in the water. The nitrogen and the phosphorous serve as food for algae. An increase in their quantity in the Kinneret means more available food for algae and increased development of them decreases the quality of the water and requires the taking of measures such as filtering or chlorinating. Existing data shows that in the last three years the Kinneret has returned--from the nitrogen aspect--to its condition at the end of the sixties and beginning of the seventies. Then the general amount of nitrogen in the lake came to an average of 3,000 tons. Toward the end of the seventies, the picture got much worse and the quantity of nitrogen reached about 4,000-5,000 tons in the lake. In 1982 the quantity lowered to 2,800, in 1983 and in 1984 the decrease continued to a level of about 2,600 tons of nitrogen in the Kinneret.

The phosphorous matter is to some extent different. Here there is only some improvement. At the end of the sixties the quantity of phosphorous in the lake came to about 60 tons. This quantity rose to a height of 120 tons in 1981 and decreased to 80 or 90 tons in the last 2 years.

Less Sewage Flows into the Lake

Generally two types of algae are found in the Kinneret: the large algae (phrydinium) and the little algae (nano-plankton). In conditions of lack of food materials in the water, the large algae multiply more and the small ones--they are the problematic ones--lessen. An increase in food materials--nitrogen and phosphorous--brings with it a rise in the quantity of small algae. Since in the last three years there has been a decrease in the nitrogen and phosphorous in the Kinneret, conditions for a decrease in the quantities of small algae were created.

Were the quantities of algae in the Kinneret dependent solely on nitrogen and phosphorous, a considerable increase in the quality of the Kinneret waters would have occurred over recent years. However, since treatment of the biological internal balance of the Kinneret is being accomplished at a rate which is unsatisfactory, the improvement is also limited.

The principal factors influencing the quality of the Kinneret waters are divided into factors outside the lake--the activity which occurs around it, and in its basin--and the activity that occurs within it.

The great advancement achieved in treating the Kinneret waters is first of all the result of the actions taken in the last 3 years outside of the lake. This activity is carried out by the directorship of the Kinneret, which is headed by Menahem Ben-Shlomo of Kibbutz ´Ami´ad. For example, more than 20 reservoirs have been built for collecting about four million cubic meters of sewage per year. This tremendous quantity of sewage previously flowed directly into the Kinneret and caused a rise in the concentrations of phosphorous and nitrogen. Today 1.5 to 2 million cubic meters of sewage water per year still enters the Kinneret and action to prevent this flow is continuing. Another type of polluted water which still does not reach the Kinneret: dirty water from the fish ponds in the Huleh Valley. Here also we are talking about millions of cubic meters per year, which today is partially being caught in new reservoirs. Moreover, the Huleh Valley, in which until 10 years ago there were 16 thousand dunam of fish ponds, has changed its landscape in recent yeras and the fish pond mosaic has been reduced to only 6,000 dunams.

The Good Fish and the Bad Fish

Another example of external activity which influenced the Kinneret waters is the treatment of beaches around the lake. Here a significant improvement has been made. If necessary funding is given to this, the project will continue and advance. Among other things, beaches around the lake have been prepared and wet lavatories with reservoirs for removing the sewage to beyond the lake have been installed.

Also garbage cans have been installed and other improvements made on the beaches. Thus, despite the increased pressures during the summer months on the Kinneret´s beaches, an improvement in the quality of the water at the bathing beaches´ areas can be seen. From the laboratory data on samples of the water taken by the Kinneret laboratory of the water at the Kinneret beaches over the last four years, it appears that there is a decrease in the concentration of defecation germs in the summer months.

Dr Gofen claims that there is definitely an improvement in the public´s behavior when it comes to the Kinneret beaches. The vacationers are taking better care of cleanliness than in the past. This encouraging picture changes when you see what is happening in the sea. The principal reference here is to fishing in the Kinneret. Data of the last 18 years clearly shows that there has been a constant significant decrease in the quantity of zooplankton, which is to say, in the quantity of microscopic crabs in the water. These crabs are the most efficient eaters of the little algae. At the beginning of the seventies the quantity of these crabs came to 45 grams per square meter, and today their quantity has decreased to less than half--about 20 grams per square meter.

The quantity of crabs decreased principally because of the increase in the pressure of the type of mini-fish which serves as food for them. The principal type here are the sardines, which due to difficulty of export are being less fished for. In contrast with the sardines, whose quantity is rising in the Kinneret while their market is decreasing, the "good fish" of the Kinneret is on the decrease. This fish is Amnon of the Kinneret, principal target of fishermen who receive high prices for it. Amnon is also the best fish for the ecological system: he is the most efficient user of the big algae as food. Over the last decade, exploitation of Amnon for fishing has been too intensive and the fish has decreased in the lake.

To compensate the fishermen, the fishing department in the Ministry of Agriculture populates the Kinneret with fish which mature quickly but at the same time this injures the ecological system. They are predator fish, and principally in the summer and fall they eat the little crabs: these are principally silver fish and Amnon of the Jordan.

The critical problem of the Kinneret fishermen is during the summer, at which time they suffer from a natural lack of food, and the pressure on the little crabs increases.

Says Dr Gofen: First we have to decrease the pressure on the little crabs, with increased fishing for sardines, and by stopping population of the Kinneret with silverfish and Amnon of the Jordan. Another recommendation from the scientists at the Kinneret laboratory is to significantly increase the population of the Kinneret with Amnon of the Galil, to 4 to 5 million baby fish per year, in contrast to 2 million in recent years. Also it is recommended that the system be changed: instead of populating it when they are small, to do it when they are bigger. Beyond that, we recommend closing Biqlat Butayha, principally Zakhi and Mas´ndiyah, during the mating season of the Amnons, starting with the months of May and June, in order to aid their natural multiplication in the Kinneret. If implementation of the suggestions is speeded up, it is expected that the gradual improvement in the quality of the water of the Kinneret will continue.

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PROFILES OF ISRAELI ARAB COMMUNITY

Tel Aviv HA'ARETZ in Hebrew 16, 21, 23, 26, 28, 30 Aug 85

[Article by Roman Frister: "Between Allah, Marx and 'Arafat"]

[16 Aug 85 p 15]

[Text] A young man stood at his father's grave in the Muslim cemetery of 'Ar'ara and recited Kaddish [the Jewish prayer for the dead]. By his side, sobbing quietly, were his mother, brother, and sister. Those who had come to the funeral, mainly friends of the deceased and members of his family who live in Wadi 'Ara, stood around them in silence. The burial of the body brought to an end a complicated drama that had begun with the marriage of an Arab man to a Jewish woman. For many years the couple had lived in the Yad Eliyahu section of Tel Aviv. The husband worked for Eged [bus company]. The three children were raised as Jews in every way. The eldest did his service obligation in the Golani. They never had any problems of identity or religious contradictions. Their life together was a personal and private matter as long as the husband was alive. But on the day he died, his acqaintances and relatives in the village were shocked at the family's intention to bury him in the Jewish cemetery in Holon. A friend accepted by both the Jewish and Arab factions of the family went to Yad Eliyahu to dissuade the widow. "I told the woman: you honored your husband while he was alive, do the same now that he has departed this world. He was a Muslim who never converted. What will happen if one day this deception is discovered and fanatics remove his body from the grave, as happened with the body of Tirzah Angelovitz in Rishon [LeTzion]?...She was persuaded and we arranged the funeral in our village. We were more than a little amazed when his soldier son insisted on saying Kaddish at the grave, but we honored his wish."

This unusual story popped up suddenly on the fringes of the discussion--perhaps as a kind of supplementary illustration while we were talking with Muhamad Sayf about the complexity of relations between Arabs and Jews, about the ripples set up by the anti-Arab riots in 'Afula and about the meaning for both sides of Kahane-type extremism.

Muhamad Sayf, a tall, handsome 42-year old man, lives comfortably in 'Ar'ara and earns a good living as a private income tax advisor in Hadera. Commercial ties with the West Bank, the black market within Israel itself, and the unending search for new, legal ways to launder capital have created a tremendous demand for good advice and assure him a prosperous livelihood. If everything goes right, says Muhamad Sayf, he will be able to retire at the age of 50. "I will have a farm with lambs and horses, a hunting rifle and inner peace." Meanwhile he talks proudly of his penthouse in 'Ar'ara, "360 square meters on two levels."

From that tangled incident of the Muslim villager and his Jewish children, Muhamad Sayf draws the following simple conclusion: Had he married a Jewish woman, he would never have given her children. It is his good fortune that he does not have that problem. He is married to a girl from the village who, besides a handsome dowry, has given him his five children. The oldest daughter registered this year for art at the University of Haifa. Iman, his 17-year old son, is enrolled at the Hadasim Institute.

The village of 'Ar'ara has seen an upsurge recently in "reborn Muslims." Youngsters for whom "'Arafat is a Mapai'nik" opened an Islamic library near the mosque and preach aloud for the non-recognition of the State of Israel. In their opinion both the Israel Communist party and the Progressive Movement for Peace are fundamentally flawed since "there is no party but Allah and no leader but Muhammad the Prophet." For the moment the group does not enjoy widespread support. Nevertheless it is tolerated and perhaps a bit feared. Who wants to come into open confrontation with young people who never stop speaking of God? Upon his return from Hadasim, Iman, Muhamad Sayf's son, will have to find his place in a society that vacillates between extremism and moderation, between loyalty to the state and Palestinian or Arab identification. With an "original sin" like his, this will not be an easy task.

His father knows well the troubled road of an Arab groping for an Israeli identification but stumbling on new obstacles whenever he thinks he has reached his goal. Muhamad Sayf was educated in Miqve Israel. His childhood memories are somewhat blurred, but nevertheless he cannot forget that every Friday, on the Muslim day of rest, he went to school as if it were any other day of the week but on Friday evenings he was forced to participate in the traditional sabbath welcoming ceremony. "But that did not prevent me from making it through and becoming an Israeli citizen, proud of my Arab origins", he says. However, even a superficial glance at his way of life makes one wonder about the truth of that determination. As an independent man, Muhamad Sayf did not encounter that wall of suspicion that bars the way to the Arab intellectual seeking employment in a Jewish factory via some pretext or other that is always justified by "security considerations." This inequality expresses itself in a thousand and one ways--starting with the behavior of policemen at roadblocks when he takes his car to a restaurant or movie in Tel Aviv, and ending with the memory of that day about 14 years ago when he tried to rent an apartment in Hadera and his Jewish neighbors strenuously objected.

Muhamad Sayf is not one to give up easily. "I went to the consumer protection council. I demanded their intervention and opened my office in the apartment where I wanted to. Today I have very good relations with my Jewish neighbors," he concludes and asks not to go any further on the matter. What happened--happened. Nevertheless, in the years that have gone by since, Muhamad Sayf has not stopped looking for his place in Israeli society. At first he joined Shmuel Tamir's political group. He was active in MAPAI, and at the time of the split, followed Ben Gurion into RAFI. "I visited the old man in Sede Boqer and told him that Israel's atttitude toward her minorities was her real showcase to the enlightened world. Ben Gurion liked the way I put it--but nothing changed. The discrimination continues." (Ra'anan Kohen, who holds the Labor Party's minority affairs portfolio, explained the matter to us with praiseworthy candor: It is a tragedy that my party wants the Arab votes at the ballot box but does not want Arabs in the system.) Disappointed with Labor, he jumped horses to the Shinui movement. Two days before the lists closed for the ninth Knesset, he volunteered to assist the Yahad party founded by Ezer Weizmann. "Having learned from experience, I no longer expected a dramatic turnaround, but felt that it would be enough if the Yahad Party could succeed here and there to round off some of the sharp edges and thus lessen the friction."

When I ask him somewhat critically what in hell impelled him to go from one Zionist party to the other, he responds in full seriousness:

"I was looking for a feeling of partnership. I believe in the future of the State of Israel and I want to feel that I am an inseparable part of Israeli society. That is why I sent Iman to Hadasim. I do not want him to close himself up in the village where I may find him one day among the reborn Muslims by the mosque. I want my son to know Jewish society and to form his personality while open to different ideas and perceptions. I know that this is a hard road, but it is the only one after all that leaves hope for understanding between Arabs and Jews. I hope that he will get close to Jewish society without losing his Arab identity. His mother is a conservative Muslim, and he has a grandfather who made the pilgrimage to Mecca. If he succeeds, there is no reason why he cannot enjoy both worlds."

The two worlds also meet in music, which is the love of Yusuf Hanna, a graduate of the computer science department of the Hebrew University in Jerusalem. He plays many instruments but loves the synthesizer best. It is particularly good for enjoying the music he calls "Franco-Arab," music that has western scales but does not give up the eastern quarter tone.

Yusuf Hanna was born with a silver spoon in his mouth. Before entering the university, he studied at the Kibbutz Genossar educational institute. His grandfather owned lots of land in the hills north and east of the banks of the Sea of Galilee, and the Hanna family has ties with the Jews in the surrounding area that go back to the days of the British Mandate. In addition to other businesses, his father now has the "Bread and Fishes" restaurant in Tabgha. Hafiz Hanna is a Christian and the name of the restaurant recalls the wonders and miracles ascribed to Jesus in the New Testament. The elder Hanna is rich, and when he has to help his son, he does not hesitate to do so.

I met Yusuf 2 years ago when I was a guest at the family home in Rama in the western Galilee. Around the table were his parents and his brother Ya'qub, then an IDF soldier doing his obligatory service. The bar in the Hanna home is equipped with the best drinks, and after one or two glasses, everybody warmed up. Yusuf sat opposite his brother in uniform and talked a great deal about the legitimate rights of the Palestinian people. He himself, he said, was not about to serve in the IDF. The Hebrew University was then the arena for violent confrontations between Jews and Arabs, and in the Arab student union there was clear tendency toward extremism. Many of the ideas put forward that night by Yusuf had been voiced earlier by the radical activists on campus. Upon completing his studies, Yusuf was set to travel to America to work for his next degree. "I have no desire to return to Israel, because there is no chance of my finding work here to match my talents," he said. First I will travel to America and then I will move on to one of the oil principalities. That way I will be able to earn a good salary, to find satisfaction in my work and maintain contact with the Arab environment."

That was how Yusuf spoke in July 1982. This week we met him in Rama during a quick visit to his parents. Yusuf had found work at the Scintel corporation which operates on the campus of the Technion. This time he no longer spoke of the Palestinian people and its legitimate rights. It may be that that was simply coincidental, but I had the feeling that his being accepted at the Haifa electronics firm had moderated his political stands. At the center of the conversation was the new sythesizer that he had bought for $2,000. His brother Ya'qub was not home. After his discharge from the IDF, he had been brought into one of the family businesses on the shore of the Sea of Galilee. But that same criticism that had 2 years ago characterized the words of his father, a loyal citizen who had served in the regular army for 11 years and attained the rank of master sergeant, had not evaporated. On a nice day you can look out from the porch of his house over the new houses of Karmi'el. He is not envious of the Jews for his house, too, is new and luxurious, even by the national standard. Even the confiscation of the lands upon which Karmi'el was built does not arouse him as it arouses others. "In the final analysis, the Arabs of the area find work and are raising their standard of living," he says. "What cannot be forgotten is the insult that constantly reminds us, despite our Israeli identity cards, that we are second-class citizens."

Hafiz Hanna was referring to Independence Day 2 years ago when 150 VIP's from the neighboring villages were invited to a festive celebration. It was only upon their arrival in Karmi'el that they learned that a separate gathering had been organized for them. "As if we were not worthy to be with the Jews, as if to demonstrate that our place was not with everyone else."

In Karmi'el, by the way, no one had intended to insult the Arab notables. This sad incident was nothing more than an unfortunate lack of understanding of the neighbors across the highway. "They treated us as if we were not human beings with feelings," Hafiz Hanna said.

In Sami Samahah's book on the orientation and politicization of the Arab minority, published last year by the University of Haifa, one can find an amazing research datum: Only 19 percent of the Jews asked said that they had at least one Arab friend. Zero percent of the Arabs asked said that they had one close Jewish friend. A deep abyss of lack of contact and misunderstanding has opened between the Jewish majority and the 700,000 Arabs who live in their midst.

"Because of this split we have nowhere to turn when something bothers us," Ilyas Hanna, Hafiz's brother, had told us at the time and immediately added: "Excuse me, there is somewhere to turn, the Communists, but they are not for me."

The journal of the Israel Communist Party, AL-ITTIHAD, was lying on Husayn Titi's knees when I entered his home in Kafr Ba'na. The village seems suspended in the foothills. Its narrow alleys wind between the houses, women look out from the window openings, men wander around with nothing to do. It is an exotic sight for the tourist but a gray reality for the regular residents. As in the repeated refrain of a well-known song, the complaints keep coming back of lack of an overall plan, which results in terribly overcrowded housing and illegal construction and turns the people into criminals against their will. Moreover Husayn Titi's living room is not like those of Muhamad Sayf and Hafiz Hanna. Everything is very clean but simple, almost without furnishings, because Husayn Titi is a laid-off construction worker hard hit by the slow-down in the construction industry. "Just a month or two ago I did not even have the time to scratch my head; today I do not know how to kill all the free time," he said.

He may devote the free time forced upon him by unemployment to expanding his home; he needs to build another room to house Muhammad Titi, a relative who fled Lebanon and returned to the village of his ancestors. Muhamad's story could serve as the theme for a breathtaking play: his wife Samiyah and their two sons Mahmud and Tariq were murdered by Phalangists in the Sabra camp. Mahmud was born on the 16th of August, just a short time before the slaughter. His parents brought him to the good fence to show him off proudly to their relatives living in the Galilee. When Muhamad Titi came to the fence the second time, with his daughter Su'aydah, who was only saved from the slaughter by a miracle, he had just one thing in mind: to cross the border and find a safe haven in Israel.

As in a story where all is well that ends well, Muhammad Titi was given permission to settle in Israel. The family gave him a warm reception, promised help and even worried about a fitting marriage. A short time after the tragedy the young widower (born in 1950) married Siham, Husayn Titi's sister-in-law.

When we met this week, Siham was in the 7th month of her second pregnancy. She bore their son 18 months ago. His name--not hard to guess--is Tariq. If a second son is born to them, he may be named Mahmud. Thus the next generation will be reborn as a kind of compensation for the terrible tragedy. But the more the conversation continued, the less joie-de-vivre it contained. The first enthusiasm of some of the relatives had cooled, and they were no longer extending support. A hard life takes its toll, everyone has his own troubles and his own family. "For lack of choice, they will have to live in the room I will build for them in my house," explains Husayn Titi.

But it is not only the housing crunch that weighs heavily on the refugee from Lebanon. Before the slaughter at Sabra he was the owner of a taxicab that assured him a decent livelihood. Here he has no money to purchase a "green number" or a vehicle. He has to support his family from whatever few jobs come his way. And when he read the accounts and analyses of the events in 'Afula and the public support for the Kahane movement, he cursed the miserable day he asked for and received asylum in Israel.

Every sixth citizen of the State of Israel is a member of the minorities, struggles each day with problems that we Jews are totally unaware of: Where is his place in the universe between Allah and Marx, 'Arafat, and Herzl? These short vignettes should bring home how mistaken we are when we treat Israel's Arabs as if they were a single social group. We tend not to consider how much the politics of these 700,000 people is directly dependent on the position of the Jewish majority. It is a population whose problems the Jewish establishment and public stubbornly try to ignore--on the assumption that "a lack of policy is also policy." The comment by 'Aziz Jibli, a farmer who used to market his produce in 'Afula, shows where that kind of attitude may lead. 'Aziz told me:

"You were born in Poland, right? Didn't the anti-Semites there call out to you or your parents 'Zhids to Palestine'? They did. And what happened? In the end you went to Palestine. I am a quiet farmer far removed from politics. I never disobeyed the law. My main concern is for my house, my property, my family, but at the time of the riots in 'Afula hot-headed Jews attacked me shouting: 'Dirty Arab, go to the PLO!' And for the first time in my life, I began to think about it: Maybe that's where I really belong."

[21 Aug 85 p 7]

[Text] The words of poetry have an amazing sound when read against the background of hammer blows and engine roars. In a small restaurant squeezed between the workshops and garages of lower Haifa: ."..it is in your power to uproot trees / from the midst of the mountain in my village / which embraces the moon, / it is within your power / to plow under all the houses of my village / until no trace be left / ...but you do not have the power to choke my song / I am the muse of the wind and the rain / and the lover of the land."

In all the surrounding area you cannot make out a piece of ground or a parcel of vegetation. The air is thick with the smells of gasoline and frying. But Salim Jubran, the man who wrote the poem, does not need the views of the Galilee to forge the nationalist longings for his creations. He carries within himself the land and the pulse of village life just as the camel carries his hump. Even if the picture should become somewhat blurred--in his own mind or that of his readers--the party will come and renew it in the events of Land Day.

"The confiscations of land which are given wretched names like 'the Judaization of the Galilee' only add fuel to the bonfires of the Communist Party of Israel," I was told the day before by Eli Rekhes, a researcher at the Dayan Center in Tel Aviv. His comment echoed in my ears even before Salim Jubran arrived for the meeting. He briefly interrupted his work at the Haifa branch of the Democratic Movement for Peace and Equality, where he is the editor of its literary journal, and came to this little restaurant in order to allow a Jew a hurried glimpse of his Arab world. He is a Communist with every fiber that is in him, one of those few members of the Israel Communist Party who joined not out of hatred of the Jews but out of genuine conviction. It might be said that he was weaned on Marx and Engels by his parents. His father, a laid-off worker who could barely read or write, was one of the followers of the Mufti of Jerusalem--"until he came to understand that radical nationalism lacked the power to redeem the Palestinian people from its misery and became a Communist. I remember how, when I was a child, I would read articles to him from AL-ITTIHAD: Almost without understanding the process, I, too, absorbed and endorsed the Marxist approach to the liberation of my people."

There is a fateful twist of irony in the fact that Salim Jubran was born in Peqi'in, the only village in all Israel that can boast of continuous Jewish settlement. "Only a wall separated us from the Zinti family," he says and corrects me: "It was not fate but important symbolism." That symbolic wall, as it were, has thickened over the years and become an unbreachable rampart dividing Jews and Arabs."

A Frightening Picture

Almost all the young Arabs in the villages of the Galilee and the triangle know Jubran's poetry. I look into his eyes and wonder at how little I know about him and his creations and the multitudes of his readers.

"The wall will be breached when we each come to know the other well. We know you, but you to do know us," I said. But Salim Jubran contradicted me. "The fact is that you do not know us, but Israel's Arabs know Jewish society very well. We read Hebrew newspapers, watch TV and listen to the radio. The picture is clear to us and rather frightening. You talk about the 'Arab problem', but I would say that the problem is entirely Jewish. I am not afraid of Kahane and his gang, but I am afraid of his devastating influence on the Jewish public. The Jewish public is little by little getting used to the idea that to beat an Arab, and perhaps even to kill him, is not so bad. But Kahane is not a wildflower in a hothouse. Even before his rise there began to develop an ideology of two-legged animals and poisoned roaches. To kill a roach is really not a big sin. Immediately after the 1967 war Jewish society turned to the right and humanistic values began to retreat. I was never one of Ben Gurion's devotees, but at times I yearn for those days. The present Labor leadership flowered in the military-industrial bureaucracy--and that explains a lot. But the main loser is not Israel's Arabs. I think it is precisely Jewish society that has suffered hard punishment: it has turned into a society of troops and conquerors. An ancient Arabic proverb says that he who works in the sewer is not immune to vile odors."

What is frightening, Jubran ponders aloud, is the superficial view of things. The view of people and entire nations as stereotypes. "It is a dangerous and contagious illness," he says, and tells how his son, a 4th grade student, watched the screening on television of a part of the riots in 'Afula and how he reacted. "I will never be able to accept my son's saying 'All the Jews are dirty.' When he reviled the Jews, I asked him: Do you also revile your friend Yoram? Did Yoram also beat the Arabs? I am not sure that he was convinced because hatred feeds on hatred and it is hard to stop an avalanche."

Like most of Israel's Arabs, Salim Jubran defines himself as a Palestinian who holds an Israeli passport. Toward the end of the discussion he does not deny that he has a personal problem with the country's flag, national anthem, and independence day celebration. In his opinion, there will be no escaping the future development of Israeli identity on both sides of the barricade, an identity that will establish common symbols for Arabs and Jews alike. But without any connection to the future character of the State of Israel, Jubran wants, with all his being, the establishment of a Palestinian state in the West Bank and the Gaza strip. But if and when that comes to pass, he will stay here, in the Land of Israel. "When I am asked 'where are you going,' I reply that I am going home and by that I mean my house in Nazareth. I would have difficulty seeing my home in Shekhem or Gaza. The definition of a homeland for me, besides its political significance, is one of geography. I was born here in the Galilee; therefore, this is my homeland. My belonging to the Palestinian people does not express itself in the packing of suitcases and moving from city to city."

"Would you prefer that both Peqi'in and your Nazareth be included in the borders of Palestine?"

Jubran is not upset by the provocation. He replies: "I have to look at all the alternatives realistically. As an individual I can emigrate to Arab countries or to any western country. If I choose a western country it would mean that my descendants in the next generation would cease to be Arabs. I have friends, mostly Arab intellectuals, who left and settled in America. Their financial situation is fine, but their psychological malaise only gets worse. This is the path that I have chosen. As to Arab countries, I no longer have any delusions. To be a Palestinian in those countries is not an acceptable solution. The only choice that remains is to stay here and fight for my place in society and the country. I know that there are many Jews who see us as a threatening and unwanted minority and would breathe easier if we were not here. And I know that there are Arabs who preach doing nothing and waiting patiently until Israel is removed from the map of the Middle East. In both cases, those are nothing but pipe dreams. We are here to stay, but the state is a fait accompli and anyone with any sense knows that it cannot be uprooted by force of arms. Therefore I have to seek a good life here as an individual and member of a minority. It sounds simple but under the existing circumstances it is an almost impossible task."

At the end of the hour, the poet returned to his work and I remained with his poems. ."..I, too / as if crying and not crying / the sadness that is as dry as wrinkled figs / open a direct line between your song and mine / between your dream that burns and scatters like ashes / and mine which burns and scatters like ashes"--sings Salim Jubran as he turns to Yehuda Amihai and reminds him that "there is a holocaust in your past and in mine." I read his poetry again and again and ask myself if he is a "moderate" or an "extremist,"", a dangerousr enemy or a partner for a dialogue that cannot be avoided. And like him, I, too, consider the alternatives: the people of the Progressive List? The Muslim Brotherhood? The reborn Muslims of Umm el-Fahm who worship Khomeyni? Uncompromising people like Salih Baransi, who established the "Center for the Palestinian Heritage" in Teibe? And when you convey this political map of the Arab minority in Israel, you cannot but ask: where did we go wrong that it has come to this?

My Error:

In the first article in the series I inadvertantly switched the names of two of those interviewed. The man from 'Ar'ara is Mahmud Sayf, while the refugee in Ba'na is Muhamad al-Titi--and not the other way around. I hope that they will forgive me.

[23 Aug 85 p 13]

[Text] The smiling face of Salih Baransi shows no hint of the 10 years he served in prison for activities against the State of Israel. He is a short man, energetic and intelligent. A dangerous opponent. He has learned from his past experience. Now everything that he does is open to criticism, it is all on the table, all legal. He knows that the security services are keeping tabs on him and only waiting for him to slip. So he watches his step. The offices of the "Center for the Study of the Arab Heritage," his most recent creation, stand in the heart of Teibe, almost directly opposite the large and luxurious mosque, one of four whose minarets pierce the village skies. The truth of the matter is that all of the houses round about are new, two and three-story affairs, all modern and with a touch of oriental flavor. Most of them have marble floors in the living room and Italian ceramics in the bathroom. The building of the "Center for the Study of the Arab Heritage" is also redolent with fresh paint and plaster. After his attempts to establish an Arab university in the Galilee failed, Baransi founded this center and from here, from the second floor of this handsome office building, he conducts his war for the Palestinian soul of Israel's Arabs. Another branch was set up afterwards in Sakhnin, still another will be opened shortly in the south and in September--if Allah and the district official so will it--an annual festival of Palestinian folklore will take place in Tira .

The first festival took place last year in Teibe, in the schoolhouse. Immediately thereafter the Ministry of Education scolded the council head who permitted it to happen. This year Baransi rented a piece of ground in the neighboring village of Tira in order to set up a kind of museum of the Palestinian experience: costumes, work tools, and any and all symbols characteristic of his people. The district official was quick to sign a restraining order against "illegal construction." Baransi claims that this is merely a pretext since what is involved is a temporary structure that would be dismantled at the end of the festivities. "My rental contract expires on 15 September. Were I to appeal in court, I would win easily. But the court case would take at least 2 months and by then the rainy season would begin and spoil the program. The official knows that this is his best card."

Strangely, Baransi does not look at all troubled. In his heart of hearts he is convinced that in the end the festival will come off as planned. The opposition of the authorities only contributes to the publicity of the event, and the struggle has bestowed upon him the halo of a nationalist hero. Young people in Teibe and Tira speak of him as a fearless leader, an almost legendary figure. Someone makes sure to whisper in my ear that his village sweetheart did not wait until he was released from prison and married another--and since then "Baransi has been married exclusively to the Palestinian cause." The more they speak in his honor, the deeper my conviction that if they would only allow the festival to come off without interference, his glory would decrease sevenfold. But the very mention of his name causes uneasiness among government officials. A man with a political past such as his often arouses feelings that are not thought through to the end.

Baransi's political career gathered momentum in 1959 when a group of nationalist intellectuals left the Communist party and established the radical al- Ard [the Land] movement. The movement was listed as a corporation under Ottoman law, but in fact was the first serious attempt to organize nationalist Arabs into a political party. The supreme court decision handed down in 1964 put an end to the political adventure. Most of the leaders of al-Ard emigrated to Syria or joined 'Arafat's staff in Beirut. But not Baransi. Baransi stayed in order to participate in the struggle in the framework of "the Socialist List," also the fruit of his initiative. When the list was disqualified by the Knesset elections council and the appeal rejected by the High Court of Justice, the man turned to underground activity. In 1969 he was arrested and convicted of security crimes. As soon as he got out he immediately found a new way to continue the old struggle.

He founded the "Center for the Study of the Arab Heritage" less than 2 years ago and can already count his accomplishments. "We list and preserve structures and sites connected to the history of the Palestinian people, encourage the establishment of folk ensembles and are preparing an extensive bibliography of the Arab and Palestinian heritage," he says with obvious pride, as if trying to demonstrate that he was neither humbled nor broken. In a conversation with a Jewish journalist Baransi talked a lot about coexistence between "two nations with equal rights." It is hard to tell how much of that is lip service and how much, astute evaluation of the circumstances.

"Don't we have the right to preserve our national values and history?" he asks with dishonest naivete. After all, what is he asking? Only his legal rights. He does not need our money. In the last 8 months of 1984 the Center took in about 32 million shekels. "Financing is not a problem." Where do the millions come from? It is all legal: Everything appears on the balance sheet. The Palestinian medical association in Paris, the League of Friends of the Center in London or the World Council of Churches are among the principal foreign contributors. An unidentified assistance group in Geneva sent $25,000 to Teibe--and that was just an advance on double that figure. Baransi: "The contributors are generous with their money; they know that it will be spent on the highest cause of all--the preservation and continued existence of our national heritage. What is held back from the young Arab in the Israeli school and what, perhaps, even his parents do not tell him at home--he will get from us."

Baransi and his aides have serious competitors in the battle for the soul of the youth. In the village of his birth, Teibe, at least two radical organizations are active: the Muslim Brotherhood headed by Amir Jum'ah and the "al-Nahdah" (the revival) group. There is here, of course, a "village sons" organization, and the movement of the reborn Muslims gets stronger from day to day. Baransi is not their hero, nor the secular 'Arafat, but rather Khomeyni. Their platform is written in the Koran, not in Marx' "Kapital". You can meet them on warm summer evenings as they crowd into the center of Teibe, walk by the mosque of 'Ar'ara or engage in conversation in the Umm el-Fahm town square. Their dress is intended to demonstrate modesty and asceticism; in their outlook on the world they are reminiscent of the Neturei Karta [ultra-fanatic Orthodox Jews], who do not recognize the right of the State to exist. In their behavior they are like Habad [Jewish Hasidic] missionaries who try to force passersby to put on the phylacteries or pray in a quorum [minimum of 10 adult males]. They,too, like our ultra-orthodox, aim for the creation of a state based on religious law.

It is not only Baransi who regards them suspiciously. They are also beginning to constitute a threat to the secular New Communist List and to the Zionist parties that have gained a foothold in the Arab community. Apolitical Arab citizens anxiously follow their activity. They bring with them a new kind of polarization to Arab society. "I despise all extremism, but I am afraid of religious extremism," we were told by Hafiz Hanna, the owner of the "Bread and Fishes" restaurant on the Sea of Galilee.

The inspiration of Allah descended first on the inhabitants of Umm el-Fahm. In this enormous village which will one day achieve the status of a city, in its narrow alleys winding between the houses, within the dark alcoves and the side chambers of the mosque, the character of the movement was formed. And whoever returns to Allah is not satisfied with the redemption of his own soul. The holy objective of these reborn Muslims is to make more converts for Allah.

When Mustafa Qala left his home in the village of 'Ar'ara he was denounced by a "weird young man" who said: "I hope that Allah wants you." Mustafa answered that he did not know, because he had not spoken recently with the divine presence. But the young man would not let up: "Do you not pray? You are making a big mistake. We live in a changing world--provide for the eternity of your soul..."

Mustafa Qala, a teacher and member of the steering committee for Arab-Jewish encounters held in a "Shomer Hatza'ir" kibbutz seminar in Giv'at Haviva, would have reacted to the incident as an amusing curiousity but for his understanding of how serious a phenomenon it is. Religious extremism makes giant strides from one village to anotner and takes root everywhere. As with western society and Jewish society in Israel, Israel's Arabs vent their disappointments and frustrations in a search for heavenly values. That by itself would not be cause for alarm but for the very real implications.

Says Mustafa: "In Umm el-Fahm the religious extremists were able to exert such pressure that for the first time in years, it was impossible to send village girls to participate in the Communist Party summer camps. I know youngsters who have stopped using shaving cream that contains alcohol. The Koran, of course, forbids the use of alcoholic beverages. Once a week, a female lay preacher arrives in our area from the West Bank, lectures on morality and drags the women off to the mosque. Arab women take little part in public life and are open to any doctrine that gives them a feeling of belonging. The moment a woman falls into the preacher's net, she immediately brings in her daughter--and the chain gets longer."

These things are not limited to the tie between the individual and his creator. Behind the striving for the sources of Islam are the first buds of a political upheaval that is likely to overturn the political status quo in Arab society. Despite the fact that Muslims are a decided majority of Israel's Arabs, it was in fact the Christians who have regularly been appointed leaders of the New Communist List and have borne the banners of public struggle. That came about through historical necessity: with the rise of the State of Israel, when the traditional Muslim leaders fled the country, the Christians fill the vacuum. But meanwhile, a new generation of capable Muslims has arisen, an ambitious and uncompromising generation that is forcefully seeking its place in society. In the foreseeable future it will be them with whom we will have to conduct the dialogue on coexistence.

We can learn a bit about what awaits us from Zitam Watad, a biology teacher and educator in the 'Ar'ara high school: "I can successfully resist nationalist pressures and preach coexistence; but I am powerless against religious pressure."

I met Zitam by accident while visiting Giv'at Haviva. Little by little, three other Arab teachers joined our conversation: Nadir Nasrallah from Shefar'am, Riyad Qabha, who taught Arabic in an interim group in Kafr Qari', and Mustafa Qala. We proceeded from the common assumption that the education of the young generation will determine the future of relations between Israel's Jews and Arabs. The question that I put to them was: Is the national educational establishment capable of meeting the challenge? Does it constitute a reasonable response to the New Communist platform, to the slogans of the Progressive Movement for Peace, to extremism a la Baransi, to the extremism of the "village sons," to the preachings of the reborn Muslims and to the activities of the nationalist youth groups that are organizing in many villages on a local basis?

Nadir Nasrallah, a graduate of Haifa University and a certified sociology teacher, likens this establishment to a storm-tossed ship in the open seas. "The passengers on board the ship are Jews and Arabs," he says, and explains that we should want to "plug the leaks through which water is filling the hull of the ship but, where that is impossible, we must teach the young to swim."

I did my homework on this swimming with the generous assistance of Emanu'el Koppelwitz, the director of the Arab Education and Culture Department in Jerusalem. Koppelwitz, a native of Germany, who dealt with matters relating to the Arab population during most of his years of government service, was made head of the department in 1970 when the minister of education at the time, Yig'al Alon, wanted to draw conclusions from a number of studies that dealt with defects in the system. Koppelwitz:

The curricula in the Arab schools were loaded with Jewish content. If anyone wanted to delude himself that Arab youth could thus be removed from Arab nationalism--reality would be quick to catch up with him. The system did not stand the test, and the time had come to institute sweeping changes. We set up working groups consisting mainly of Arab educators and got down to business. In Arabic literature we put the emphasis on modern poetry that speaks to the heart of the young. This was a comlicated task. We could not include in the program poems that would allow the teacher a nationalist interpretation. But we found nothing wrong in the love of the student for his land. Poems that treat the beauty of nature and the environment were included in the new curriculum. In teaching history we increased the chapters dealing with the Middle East and the Arab nations to almost 40 percent of the material covered. We introduced vocational arts--in particular auto mechanics, electricity, woodworking, etc. I believe that we are now beginning to reap the fruit of those changes. The number of students who successfully pass the matriculation exams has increased, and the general level of teachers is higher. I think that we have succeeded in the area of education for good citizenship. I agree with the opinion that Arab youth have become more radicalized. There has been an increased awareness of rights."

"Citizenship for education?" Mustafa wonders. "When, when the tutor is here? What can you do in 45 short minutes when 40 students crowd in front of you?"

The hour with the tutor is the only one dedicated to public subjects. It is the most opportune time to analyze issues of the day with the student: questions dealing with the Middle East controversy and the nature of relations with the Jewish majority. Mustafa: "About 3 years ago the general director of the Education Ministry sent us a circular that spelled out what could be covered during the tutor's hour. I remember that several of us teachers sat down then, including Dar'usha, who has meantime become an MK, and that we tried without much success to understand the content of that circular."

Nadir Nasrallah continues: "I know that with the beginning of the academic year 10 days hence I will find on the bulletin board a list of topics for discussion during the tutor's hour. They will not include anything that directly relates to the Arab-Israeli conflict. The famous circular from the general director of the Health [sic] Ministry in fact does permit a certain amount of room for maneuver, but very few teachers will take up a controversial subject. No one will fail to remember that he requires certification from the security services in order to engage in education."

Mustafa Qala, in the second round of the discussion: "In Arabic studies the system puts the emphasis on the language. In Hebrew studies the emphasis is on culture. In a large number of the books the Arab is presented negatively. What do my students think to themselves when I make them read Smilansky's story about the Arab who steals the clothing of Jewish children who go out to bathe in the pool?"

Riyad Qabha: "The three stories of 'Al-Sanabil' for teaching literature were written in 1954. After all, haven't things changed since then? Isn't there modern literature? In the fifties, when we didn't have our own pedagogues, Arabic-speaking Iraqi Jews shaped the educational system. Do we have to drag that inheritance into the 21st century?"

Zitam Watad completes the picture: "The young people read the newsapers and watch television. They hear about Kanane and the public opinion polls that predict increasing support for his camp. They see what is happening to the Palestinians in Lebanon and Syria. We ignore all of this during the tutor's hour, and what happens? We expose the student to external influences over which we have no control or criticism. Every one of us has a devil inside him. It is possible to release him--and it is possible to restrain him. Ten thousand Arab teachers are the 'big band' of the educational system. But the rhythm and key are set by the conductor."

[26 Aug 85 pp 7, 9]

[Text] My God, is that really you, Rafqa-Rafiq Qabha?

When I saw him for the first time he was sitting on a horse, in Western dress with a dark suit, a white shirt and a silk tie. In his left hand he held a colorful parasol. He was all masculinity, happiness and pride, surveying the diners and dancers. It was his wedding day.

Much water has flowed since then in the spring channel that divides the village in two. On that day it constituted the border. On the eastern slope of the mountain was Jordanian Barta'a, on the western slope, Israeli Barta'a. The dividing line passed right between the peach tree and the mukhtar's bathroom, continued along the Nahal Akhzib and then turned south. Why? Because! More precisely because that is how the line was drawn at Rhodes during the truce. Most of the inhabitants of Barta'a would not have known then if Rhodes was an island in the Mediterranean or a Greek delicacy. All that mattered was that suddenly the Qabha family found itself divided among two countries. Some 400 people got Israeli identity cards, while 1,600 were issued a passport from the Hashemite kingdom. They had only one thing in common: parents on both sides of the border taught their children the basic lesson in geopolitics: you could run up to the peach tree, but you had better not go one meter beyond! The children had difficulty in understanding that twisted logic. Why could you visit Uncle Mahmud but you could not go on to Uncle Ahmad who lived just 20 steps across the wadi? "The day will come, the borders will be removed and we will be one family again," they would comfort the children--usually not believing a word of it.

Do you remember, Rafiq?

Rafiq nods. He has put on weight, his forehead is higher and when he is not shaven you can make out some grey hair among the bristles of his beard. His wife Hana has borne him 8 children: the oldest daughter is off to teacher's college this year. And, thank God, he makes a good living. He has a grocery store at the entrance to the village and a spacious home. Many houses were built since my previous visit. The population of the village has grown from 400 to 1,350. All of it is natural increase. About 2 months ago the mukhtar passed away. His son Riyad, 32, inherited the position. Now he sits with us on inverted cases of beer in Rafqa's store. There is no town council in Barta'a, and the village is poor in comparison to surrounding villages. It is the young mukhtar's job to advise the people, to make peace between feuding parties and to write out all kinds of official certificates. It was that way in the time of the Turks, it was that way during the British mandate and it is still that way today. But alongside all of the regular duties, Riyad Qabha is also trying to compose a document that no one asked of him: the history of the village.

Sweet Revenge Through Salt

Almost every Arab village has its own story, whether true or only legendary. I heard about the Qabha clan's past for the first time from Mahmud Qabha, my host at the wedding: "Our forefathers came from Qursa, near Jannin", Mahmud said. "The name of the founder of the family was Muhammad Qabhawi. He was a hot-tempered man, he argued with his neighbors and fled for his life to the area around the village of 'Ara. Four of his seven sons were saved with him. Three of them settled in the hills by Wadi 'Ara and each of them founded his own line. No one knows what happened to the fourth son. All trace of him disappeared like the ten lost tribes of Israel. The inhabitants of Barta'a are the descendants of Mustafa Qabhawi, but Mustafa also got into trouble. The relatives of his wife, a girl from 'Ara, murdered him during a family quarrel. When his two sons grew up, they decided to avenge their father. They built a big house, all on a foundation of salt, and surrounded it with a deep moat. For the dedication ceremony they invited their murderous uncles. At night they filled the moats with water. The water melted the salt, and the luxurious structure collapsed like a house of cards. The guests died in the ruins of the building..."

The continuation of the story includes further murders and further escapes from the curse of avengers, until the family finally found a safe haven in Barta'a, a forsaken spot nestled between the hills. The strength of their thirst helped them to find a spring. Until the outbreak of the Six Day War, this spring was the only source of water for both parts of the village. The Jordanians sought to keep the women from meeting at the well and built an open concrete canal that brought some of the water to the eastern side of the border. Now Riyad Qabha, the new mukhtar, remembers: "That did not help them much. Ties of blood were stronger than any prohibition. The women would send notes with family gossip into the canal. Sometimes there would also be some politics. When our village got mad at Husayn because of his hostility to 'Abd-al-Nasir, we would send notes villifying the king."

On Rafiq-Rafqa's and Hana's wedding day, Riyad Qabha was only 11 years old. Today he lives in his own house on the northern edge of the village. It has electricity and a telephone and hot and cold water that flow from the spigots.

On that day he lived, of course, in his parents' home. The old house stood at the foot of the mountain, almost touching the border. The back wall of the bathroom touched Jordanian soil. A small plaza near this house served as a dance floor. On both slopes, which ran down opposite each other to meet in the channel of Nahal Akhzib, the guests gathered to watch the ceremony, as if seated in a giant amphitheater. The binoculars passed from hand to hand: How does cousin Sulayman look, what kind of new dress does Fatimah have?...Down below, in the narrow strip of the banks of the Nahal, were the legionnaires in checkered red and white kaffiyehs and the soldiers of the national guard in green berets. A "sharp" trio, renowned as the best singers in the area, lavished musical praise on the beauty of the bride and the exalted character of the groom. A short pause after each stanza gave the family members on the

Jordanian side the opportunity to respond with the singing of parables. This vocal dialogue continued for a good hour, and when the list of family compliments was over, that only made room for songs of the love of the wandering bedouin, the flight of birds and peace. "Peace will come, and we will be together again," sang the members of the Qabha family on both sides of the border. It may have been that each side desired peace in a different way, but certainly no one foresaw the disappointment it would bring.

The Dream of Unification--Is Over

"In 1967 the border was eliminated, but not the partitions", said Riyad. "I remember the initial excitement. Everyone was looking for his relatives. Embraces, kisses, high spirits. But it was natural that we would also make comparisons. The Jordanian part of the village had a main highway that connected it to Jannin, two schools and a telephone in private homes. We did not have those things. No highway, no telephone, no school worthy of the name. Our educational distress is known to everyone. To this day, Arab schools in Israel are short about 600 classrooms. Some of the children of Umm el-Fahm, for example, study in rented rooms that are barely fit for pigs. It is no wonder that we envied their educational system and institutions. But our homes were prettier, and we certainly had a higher standard of living.

"Several weeks passed. We satisfied our mutual curiosity and our initial high spirits waned. We began to really probe our attitudes and discovered to our amazement that there was more to separate us than to unite us. Through binoculars or in forbidden meetings in the darkness of night, everything seemed different. Then we mainly talked from the heart. Now we look at reality with our heads."

"We, the Israeli Arabs, grew up in an open society. They were more introverted than us and very suspicious. The Israeli inhabitants of Barta'a saw them as very conservative people who had not yet liberated themselves from the yoke of long-forgotten tradition. They, on the other hand, saw us as Arabs who had sold their national birthright for a mess of pottage. There were phenomena that they could not understand at all. Sometimes they would ask in amazement mixed with suspicion: 'What? You studied at Tel Aviv University? Together with the Jews?' The feeling of belonging to the Palestinian people--which we do not deny either--was much more developed among them. But it was not only political views that separated us. We quickly realized the day-to-day differences. For them Jannin constitutes the nearest municipal center. They go there for a movie or to do some shopping. We go to Hadera. Our women and their women do not meet in the market or the grocery store. Their men pray in their mosque and our men, in ours. What is most important of all: there is no real meeting of the next generation. They have separate schools for boys and girls. We have mixed education. Our children have no common playground. As in the past we get together mainly for festive occasions or funerals."

"Mixed Marriages" of Convenience

In the hills on the eastern slopes of the mountain there is a surplus of women who have come of age and are looking for husbands. A large portion of the young men emigrate to distant Arab lands to look for work or to study in the universities. Many do not come back. The men in Israeli Barta'a, whether they study or work in the city, do not abandon the place. It is easier to go home for a weekend from Tel Aviv or Haifa than from Abu Dhabi or Kuwait. Family matchmakers are more than a little busy arranging unions from both sides of the wadi. But the success is limited. In the 18 years that have passed since the border was removed, only about a dozen "mixed" couples have been married here.

Dr Yosi Ginat, senior aide to Minister Ezer Weizmann, who holds the Israeli Arab portfolio, investigated the subject of marriages between Israeli Arabs and those of the West Bank, and discovered that most such unions were against a background of immediate interest in reaching the high portals of government via the Israeli partner. "Meanwhile that wave has also stopped," Ginat asserts. "Today only people like Tawfiq Tubi or Tawfiq Ziyad maintain close ties with political elements on the West Bank or the Gaza Strip. When an Arab from the triangle come to Tulkarm, they call him an 'Israeli.' In Netanya he is considered an Arab." Even Eli Rekhes, a researcher in the Dayan Center who generally takes issue with Ginat's optimistic opinions, sees the contacts as mainly political: "Who if not the Palestinian politicians on the West Bank acted as go betweens for 'Arafat's people and MK Dar'usha when he went to Cyprus with the goal of attending a conference in Amman?" asks Eli Rekhes.

It is very hard to estimate the strength of these politicians against the reality in the field. Last Friday activists from the Progressive Movement for Peace gathered in Nazareth. A giant slogan decorated the hall: Palestinian blood strengthens the struggle!

The story of the inhabitants of Barta'a contradicts the importance of this blood tie, and even brings home the fact that there is no special chemistry between Israel's Arabs and those of the territories. Nevertheless there was a unique occasion in which the two halves of the village were united. In 1972, when IDF bulldozers moved toward an olive planting in Israeli Barta'a, the members of the Qabha family from both side of the dividing line stood like a wall opposite the tractors. The army then demanded the territory for training purposes. The villagers saw it as an attack on their rights. Moshe Dayan also thought so. With his intervention the decree was stayed. But we would do well to learn the lessons of this grievous mistake and remember them whenever the establishment attempts, without justification, to strike at the feelings and rights of Israel's Arabs.

[28 Aug 85 p 7]

Ibrahim Dana, a real estate broker in the Triangle, and his nephew Yusuf, who trades in land and houses in the Galilee, are prepared to say what would never cross the lips of any other Israeli Arab--the establishment of Jewish settlements in the Arab-populated areas has enriched a not inconsiderable number of landowners in the Galilee and the Triangle. Whoever has land that was not confiscated and is adjacent to Karmi'el or the Sagav industrial area is sitting pretty as a result of the action that almost aroused civil rebellion and gave rise to the famous "Land Day." In the Triangle, too, landowners have no reason to complain. Thus, for example, the founding of the

Jewish settlement of Katzir in the hills of Wadi 'Iron has sigificantly raised land values in 'Ar'ara.

"But it is those very same nouveau riche who are clamoring against the theft of Arab lands," says Dana. He explains that their vocal protest serves as a "national certificate of integrity," and even the most radical elements do not point an accusing finger at them. It is not pleasant to admit that some of Israel's Arabs are benefitting from the confiscations. In order not to weaken the unity of the struggle, even the Communist Party is willing to overlook the truth that should arouse anyone who professes a belief in the class struggle. After all, the more the price of the land goes up, the harder it is for those who really need it to buy it: the workers whose families are growing and cannot afford to build a house. Says Ibrahim Dana: "But for the awful mistakes made by the establisment since the founding of the State, land would never have become the rallying point that today unites all Arabs. The problem is that you have never taken the trouble to understand us, and in so doing you play right into the hands of those who are turning the land into the battlefield of the nationalist struggle."

Yusuf Dana says that "the Judaization of the Galilee," the term that accompanied the confiscations of 1975 was "like a fire in a field of thistles. When you finally realized your mistake, and changed the name to 'Development of the Galilee,' the land was already scorched and ready for protest." The New Communist Party saw the new reality for what it was and hurried to set up a national committee for the defense of Arab lands. Like the other Communist parties, the New Communists also preferred to hide behind a political curtain of public figures untainted by the smell of Marxism that could drive away the devout. At the head of the committee was the priest Shahadah Shahadah from Shefar'am, and only two declared New Communists sat on the secretariat. The party was modest in its presence but held all the reins. It should be remembered that in the events of Land Day 1967 there were six dead and many injured.

The unending controversy around "Territory 9" that serves the IDF as a training ground also adds fuel to the fires of rebellion. Recently the army uprooted olive plantings only to discover after the fact that the trees were planted outside the closed off territory and were uprooted in error. "The 'Front' people were all ready to declare 'Olive Day,' the twin brother of Land Day," says Dr Yosi Ginat, Minister Weizmann's aide. "With events such as these, we know how they begin, but we never know where they will lead. We acted to defuse the situation and promised to find solutions that would be acceptable to both the army and the villagers of Sakhnin, Dayr Hana and 'Araba. When the matter became widely known, we received letters in our office addressed to 'Muhammad Weizmann--the man who returns national lands to the Arabs'..."

"We are creating situations with our own hands that increase the strength of the New Communists or some other nationalist movement," according to Eli Rekhes, a researcher in the Dayan Center. He adds: "I would not be surprised if the incident in 'Afula and the continuing incitement by Kahane were not to give rise soon to some Arab committee to fight racism or to some similar front group with a New Communist foundation that would be even more extreme. The problem is by no means that of the Arab minority, it is first and foremost a problem of Jewish leadership. Where is the Jewish leader of sufficient stature to say: 'Arabs of Israel, this government will not put up with a situation in which fanatics from both peoples try to destroy any prospect of coexistence between Arabs and Jews.' I know that such a delcaration will not change the political positions of Tawfiq Ziyad or Tawfiq Tubi. It must be aimed at those 700,000 Arabs who are up to their elbows in the day to day struggle to make ends meet. It is a big mistake to think that the Arab shopkeeper or paver or painter ponders the Palestinian National Charter 24 hours a day. It is only on election day or a day commemorating events of nationalist significance that they are asked to choose their place on the political map."

6,000 Destruction Orders

Most of the inhabitants of the village of Tamra in the Galilee are now under such destruction orders. The Israel Land Administration issued a destruction order against the home of 'Aziz Shahtut. The home was erected on national land. The law is on the side of the authorities. But in Tamra there are another 300 or so houses like Shahtut's, anmd whatever happens to the Shahtut family will happen sooner or later to their houses as well. Thus overnight the problem has become a public issue. Hamad Salim Sulayman and 'Abd-al-Hamid Buq'i founded a local committee 2 weeks ago, the goal of which is to protect the inhabitants from "the arbitrariness of the authorities."

In the Galilee, the Triangle and the Negev there are about 6,000 outstanding destruction orders against the owners of homes that were built without a permit on mainly agricultural land. Almost all of the "criminals" built because they had no other choice. There are few Arab villages in the 37th year of the State's existence that have earned a master plan defining explicitly what is allowed and what is not in the area of development and construction. But life goes on. From 1949 until today the Arab population has grown from 160,000 to 713,000. Additional rooms and stories have been built. The housing crunch is intolerable. With the improvement in the standard of living, young couples are not satisfied with another room in their parents' house, every new family wants to build a house of its own. These houses sprout up like mushrooms after the rain, generally under the open eyes of the authorities. "These illegal houses constitute a whip in the hands of the district official and in the hands of the Israel Land Administration. Whoever keeps his peace and does not rock the boat has a reasonable chance of not seeing his house destroyed. But woe to anyone who causes trouble or does not vote the right way," says Ibrahim Dana.

Now 6,000 pairs of eyes are glued to the events in the village of Tamra. The incident involving the bedouin 'Aziz Shahtut has ceased to be a private affair. Like many others, he, too, bought his land in the fifties. But in those days an official land system was not yet in place, and the required registration was not made in the title books. Of the 10 dunams that he purchased at the time, the Administration has allotted him just 5. Shahtut would have gladly accepted that arrangement but for the fact that his house was built on precisely that half that was not included in his parcel. Any lawyer will tell him that this is entirely legal. But there is no power on earth that can remove his feeling of deprivation and no one who can persuade him that this feeling of deprivation is not justified.

It is not only the inhabitants of Tamra who find it hard to swallow the justice and logic of this sad episode. In the village of Qasim, the land arrangement has also left the landowners only a half of their holdings. There were those who took what the authorities allowed them and accepted it with frustrated silence. But there were some who were stubborn, like the patriarch of the Taha family. "Once I had 120 dunams; 40 dunams were confiscated in the first wave of confiscations and I took the Administration to court over 20 dunams and lost. Another 20 dunams are still in litigation. What are they advising me now? That I should willingly compromise over the small half that I still have left?" Taha lamented. Eight years ago Taha built 2 rooms, of course on the portion that passed into State jurisdiction. In his unending stubbornness, he again went to court--and again lost. Now a destruction order has been issued against him. The irony is that there is a very simple way for him to avoid the decree: the Administration is willing to sell him the land on which he built his house.

In Teibe and in the other villages of the Triangle, the Israel Land Administration is also selling lands that were, in part, confiscated in the past from their Arab owners. In Teibe a dunam of construction land today costs between $40,000 and $45,000, a sum that only a few can afford to pay. (By way of comparison, in the prestige are of Savyon a dunam of land costs between $120,000 and $150,000). A government official told me: "I know that we will never carry out the 6,000 legal and valid destruction orders. But if we do not destroy some homes in order to serve as an example, we will never collect the monies that are due the State."

It may be that the empty State coffers need every shekel; but has anyone added up the cost in additional feelings of deprivation? It may be that in all this activity there is not the slightest deviation from the letter of the law that applies in the State of Israel, but has anyone considered the political, social and human aspects of the matter?

[30 Aug 85 p 13]

"The Arab community in Israel numbers about 720,000 and is now more than 17 percent of the State's population. Eighty percent are 40 years of age or less. According to the forecasts, by the year 2000 the Arabs will make up about 23 percent of the total population and their electoral power will be 20 seats."

These figures are revealed in a unique document. A short time after the establishment of the National Unity government, the prime minister came to the conclusion that far-reaching changes were needed in the system of relationships between the Jewish establishment and the Arab residents. At the beginning of September 1984 Shimon Peres appointed a steering committee to draft a new policy. It was headed by Ra'anan Kohen, the official in charge of the Labor Party's "minority branch." On October 17 Kohen reported the conclusions that he had reached together with about 30 other people, Jews and Arabs, among them well-known personalities such as MK Abd-al-Wahab Dar'usha, the writer Mahmud Abbasi, Professor Shlomo Ben Ami from Tel Aviv University and others. The recommendations of the steering committee were founded on the basic assumption that "we have before us a problem of deep-rooted qualitative contradictions for which there is no radical unequivocal solution and that the correct path is one of blunting those contradictions, mutual recognition and respect, and the search for common ground."

That detailed report, stretching to 20 pages, is gathering dust in the government files, and Konen makes no attempt to conceal his anger. He is entirely absorbed in preparations for the Party congress and keeps as far as possible from the matters that he is officially charged with. But the echoes of the riots in 'Afula and Kahane's rising strength are eroding the few good intentions that remain in the attitude of the authorities toward the Arab citizenry. There is no great figure in the parties today who can confront that "problem of qualitative contractions" mentioned in the committee's report. There is a mixture of personal disappointment and professional frustration in Ra'anan Konen; he was twice promised a realistic place in the list of Knesset candidates, and twice the solemn promise was broken. Afterwards he sought the position of advisor to the prime minister on Arab affairs, but that position, too, was given to another. Finally the basic lines that his committee had proposed were also dropped.

"Today I would not accept any position, not even the highest, that had to do with Arab affairs," Ra'anan Konen says, and explains why:

"The Arab problem in Israel is really a Jewish and not an Arab problem. We demand loyalty from them but always treat them as if they were suspect. One terrorist event is enough for every Israeli Arab to be stopped and searched at the police roadblocks. We tend to see them as a fifth column, and this lethal suspicion is our undoing. This negative approach is testimony to a lack of understanding in one of the most critical areas. Because of it, possible solutions are put off over and over again; the more time goes by, the more involved the situation becomes. Turning the matter over to Ezer Weizmann only worsened the problem. Weizmann is enormously popular with Israel's Arabs. They see him as a man of peace who understands them. But Weizmann has also created expectations that will apparently never be fulfilled. The awakening from this latest delusion is likely to be destructive in its consequences. Unfortunately there is no one in my party either who can see what is happening. I headed the election staff in the Arab sector and went through seven levels of hell before I could convince my colleagues of some obvious truths. The Labor Party wants Arab votes, but it does not want Arabs integrated into the system. Why do they not understand that without their full integration into Israel's social life, we will never be able to demand their full loyalty to the State?"

Ra'anan Konen says that he "is completely stymied" when he claims that in the future--he cannot say precisely when--a new Arab party will come into being that will garner the majority of votes. In his opinion this will not be a nationalist-Palestinian party but a party whose leaders will come before the Arab public and ask: "What have the New Communist Party and the Progressive Movement for Peace done for you? Nothing. There is no peace and no Palestine. Come with us and we will struggle over what can be achieved: civil equality in the State of Israel; budgets for Arab schools; money for sewers in the villages and the initiative to create employment opportunities that will match the talents of our young intellectuals." Such a party would have excellent prospects for gathering strength, and, in time, could take the traditional place of Agudat Israel as the swing vote, Kohen claims. He rejects the notion that the Zionist parties will not sit down at the table with representatives of such a party. "They won't sit with them? True, no one considers a coalition with the New Communists. But when we wanted to assure Shlomo Hillel the chairmanship of the Knesset, we did not hesitate to establish contact with the 'Progressive Movement for Peace.' In politics, when there is no choice, reality outweighs ideological considerations."

From the porch of Ibrahim Nimr Husayn's house, you look over the roofs of Shefar'am, a city laden with contrasts and tensions between the different segments of the population. Muslim , Druze, and Christians live together here, but not always in pastoral tranquility. But Ibrahim Husayn was so accepted by all the groups that in the last elections he garnered 55 percent of the votes and is now mayor of what may be the most troubled of all Israel's Arab settlements. The secret of his strength is not to be found in the alleys of Shefar'am. In the last decade this introverted and suspicious man has become very popular in the gallery of Arab leaders in Israel. He does not wave the flag of the legitimate rights of the Palestinian people, and he does not preach solidarity with the inhabitants of the conquered territories. He speaks in clear and simple language to the needs and day-to-day problems of Israel's Arabs. In Hebrew he expresses his positions cautiously, as if weighing each word. In Arabic his words are less contorted and more caustic. Experience has taught him to adjust his manner of speaking to his audience. When Ra'anan Kohen told me that the Israeli Arab is very sophisticated and very intelligent, but that at times it suits him to pretend to be an idiot, he apparently had this kind of person in mind. You can never tell what is behind Ibrahim Nimr Husayn's introversion.

A dozen years ago Husayn was among the founders of the Committee of Arab Councils in the western Galilee. A year later representatives of a similar committee in the Triangle visited him. Both bodies had a common objective: to get budgets identical to those given the Jewish settlements. "We met in a restaurant in Yafi'ah near Nazareth. At the first course we were two separate bodies, but by the last course we had decided to join together," Husayn relates. He smiles when he recalls the founding congress held in February 1974. It may be that he is smiling at the naivete of the authorities who could not see which way the wind was blowing.

Ibrahim Husayn: "Attending that congress in Nazareth were Shmu'el Toledano, the advisor at the time on Arab affairs in the prime minister's office, Pinhas Elon, the chairman of the local government, General Director of the Interior Ministry Qubersky, and other nice people who praised our initiative and promised assistance. For 2 years they really did help, mainly in building schools. But after Land Day they announced that they detested us and that they no longer wanted the national committee to exist. They treated us as if we were little children who had behaved badly and they were therefore taking away our toys. But we continued the game, and our strength increased from year to year. When we held a congress in Shefar'am dedicated to the theme of education, the general director of the Education Ministry refused to honor us with his presence. Afterward I found out that he acted in accordance with the recommendation of Binyamin Gur-Arye, advisor on Arab affairs in the Shamir government. This Gur-Arye understood Arab problems like I understand raising turkeys. It was clear that he had taken away our official recognition. But we are holding our own, God willing, even without a written charter. Today we represent the Arab municipal authorities in the local government center, and nothing moves without us."

All of this is true. The main committee of Arab councils, with 16 members, has become the one representative body that speaks for the entire Arab sector, regardless of philosophy or political orientation. Its organizational foundation and technical tools are supplied mainly by the Communist Party, but the New Communists do not hold a majority in it and, in fact, the committee could exist and act without that support. All of the bodies that deal with Israel's Arabs know its strength. With one directive the committee could cause riots and demonstrations, and with another it could assure quiet. Its activity has long since gone beyond what is strictly municipal, and it certainly contains the kernel around which a movement or party could develop that could compete under the banner of Local Nationalism. When we asked Ibrahim Nimr Husayn why he does not try to set up such a party, he responded: "It would be a premature birth. Meanwhile we are coming to an understading on every issue. In the political sphere each of us speaks a different language."

On August 13 the prime minister received the committee heads for a discussion in his Knesset office. The conversation, indeed, did not revolve around political matters, but the very fact of the meeting signals a certain change in the dialogue with the Arab minority, and there was at least a little bit of political recognition. The previous governments did their best to spoil every attempt at Arab-nationalist organization on a national basis. In the more extreme cases such as that of the nationalist Al-Ard movement, administrative and judicial means were employed. But most of the attempts never reached the stage of implementation. Certain Arab personalities who had a reasonable chance of establishing a supra-political body were quickly apprised by the establishment as to where their bread was buttered. They generally got a share of the slush fund--and kept quiet. Not so Ibrahim Husayn. "We suggested that he join the Labor Party and get his reward, but he steadfastly refused," Ra'anan Kohen told us.

Meanwhile relations have continued between the Israeli establishment and the heads of the Arab councils as if it were a game of hide and seek. Dr Yosi Ginat, MK Ezer Weizmann's senior aide, explains:

"We do not recognize the committee, but we do not ignore its existence. Our policy is based on maximal involvement of the Arabs in all decisions affecting their lives. We do not believe that the councils should set up political bodies, but we know that their committee also deals with matters that go beyond the limits of municipal problems. MK Weizmann maintains contact with them because they are a legitimate representative body, and you have to talk to such a body. Does the meeting with the prime minister mean political recognition? That is a matter of interpretation. Ibrahim Nimr Husayn decided on the composition of the delegation and certainly saw it as political backing. Our interpretation is entirely different, but in practical terms it comes to the same thing."

That is a somewhat murky and awkward formulation, but it is characterisitic of a situation in which the government avoids defining its objectives vis-a-vis the Arabs in Israel. For years it has not brought up that burning question for discussion.

An academic dispute rages between two researchers: Eli Rekhes of the Dayan Center in the Shiloah Institute maintains that we are witness to a process of intensive Palestinization of the Arab population of Israel. According to him, "for the first time the New Communists have lost their monopoly in representing Arab interests, and they will have no choice but to radicalize their stance in the future. Who are the members of the moderate camp, as it were? Dar'usha, who travelled to meet 'Arafat?" Eli Rekhes' conclusion is self-evident: the question of the Arab minority in Israel will not be solved until a proper settlement of the Arab-Israeli conflict is achieved.

Dr Ginat: "There is no radicalization on the Palestine issue. We are witness to the development of local nationalism. The 1948 war left the Arab population without a leadership worthy of the name. But in the meantime, without our having had any say in the matter, a generation of intellectuals has grown up that is aware of its rights as citizens of the State; a new leadership is growing out of this generation, largely Muslim, and we must maintain a dialogue with it. I believe that the Arab engineer will not lean toward extremism if we provide him employment to match his talents. Of course, there are nationalist groups at work within the Arab population that dream of an Arab state from the sea to the desert. But their strength is limited. The time of test was election time when the Arabs were called upon by the radicals to boycott the ballot boxes--and did not. When it is a question of village affairs, the last word still belongs to the local clan and not to 'Arafat."

But even the developing local nationalism has not forgotten the flag of Palestine. For many this is nothing but lip service. But when Arabs like Ibrahim Nimr Husayn say "I was born in Shefar'am and my father was also born here; I will rejoice if a Palestinian state arises, but my place is here in the western Galilee"--they really mean it. There is only one topic that the people refuse to discuss: what their situation will be when the dreamed about Palestinian state comes into being.

"The condition of the Jews will become intolerable and our lives will turn into hell," said the one interviewee in this entire series of articles who insisted on anonymity. "If a Palestinian state should, in fact, arise and maintain good neighborly relations with Israel, you will no longer be able to hide behind your defense excuses to keep us out of the workplace in industry and government services. Peace with the Palestinian state will expose the conventional lie of the "security danger" that we constitute, as it were. Today there are dozens and perhaps hundreds of plants and offices that have no connection with secrecy or state security, but whose personnel administrators have appointed themselves emissaries of the security services and closed them to Arab workers. You leave us to wash dishes in the restaurants and to clean the city streets. How will you explain that once we have peace? But on the other hand, the establishment of a Palestinian state will enormously exacerbate our identity crisis. The young people will have to decide where they belong. I personally will continue to live in my village and will make do with providing monetary assistance to my brothers in Palestine. I will live like the good Jews in Brooklyn or the Bronx who contribute generously to the cause. But of course there will be Jews--and, apparently, even Arabs--who will feel that our place is in Shekhem and Ramallah and not in Nazareth or Umm el-Fahm, not to mention Haifa or Yafo. If, God forbid, one Israeli Arab should be caught spying for the Palestinian state, undoubtedly there will immediately appear a Kahane or someone of his ilk to accuse us all of treason. The riots in 'Afula will be nothing compared to the devils' dance that would then ensue. I could trace another scenario and another, but why spill salt on open wounds? The solution to the question is not to be found in political developments in the area. You hold the key in your hand and you will decide whether to open the door to relations based on equality--or whether it will be a Pandora's box."

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JORDAN

AL-RIFA'I ATTEMPTS TO DEAL WITH ECONOMIC DOWNTURN

Paris LE MONDE in French 14 Nov 85 p 10

[Article by E. J.: "The Liberalism of 'Rifa'i's Boys'"]

[Text] In addition to foreign policy considerations, the appointment of Mr Zayd al-Rifa'i to the position of Prime Minister last 4 April 1985, replacing Mr Ahmad 'Obeidat, was with the specific purpose of re-energizing the economy, stimulating the private sector and encouraging foreign investments in Jordan. Briefly, the purpose was to help the kingdom come out of the recession into which it had been sinking for several years. Furthermore, many Jordanian observers saw in this ministerial reshuffling a return to the economic liberalism which had marked the previous Rifa'i government in 1975-1976. During the months preceding 'Obeidat's resignation the grumbling of Jordanian business circles had risen to an unprecedented level. The Cabinet had been accused of practicing a "planned economy," "statism" and even, worst of all, "socialism." Merchants and industrialists blamed 'Obeidat, as, in fact, they had blamed his predecessor Mudar Badran, for what they considered an excessive interference of the state to the detriment of the private sector. The state monopoly of apple imports had thus become a symbol of an increasingly vilified policy....

The constrasting of 'Obeidat's "planned economy" against Rifa'i's "liberalism" was largely exaggerated. Actually, Jordan had never stopped being a country with a liberal economy. To be sure, those in charge of Jordan's economy under 'Obeidat and Badran were essentially technocrats, whereas "Rifa'i's boys" quite frequently come from business circles, as is the case, actually, with Rifa'i himself. In reality, however, what the former were accused of mainly was to have been unable to resolve the economic difficulties which have afflicted Jordan starting with the 1980's.

Considerable Investments

Badran's accession to power in 1976 coincided with a growing influx of petrodollars from the Gulf countries. This relative abundance of means had to be managed and channeled into sectors which had been given priority at that time, which was done. Jordan acquired a heavy industry based on natural resources, phosphates, potash, fertilizers, cement and glass. At the same time, substantial funds were invested into the development of the Jordan River

Valley (the richest agricultural area of the country), the road intrastructure, the port of Aqaba and others. The Hashemite kingdom also acquired an ultramodern telecommunications system, which was supplied and installed by a consortium of French interprises (CIT-Alcatel TRT and Cables de Lyon) within the framework of a financial protocol signed with Paris.

Finally, the Badran and 'Obeidat governments tried as best they could to repair the nefarious effects of this inflow of petrodollars, particularly the widening gap between the richest classes and the rest of the population, by establishing a retirement fund and a social security system and subsidizing government-owned stores and a certain number of consumer goods. But then came the Iraq-Iran war, the oil crisis and... the end of the economic boom.

Will Rifa'i be able to do better than his predecessors? What is certain is that he will be confronted by the same restraints. Jordan is a small country with limited natural resources: quite promising results have been achieved in recent years in petroleum surveys but the possibility of producing black gold in commercial quantities is still distant. This is a country more than 80 percent of which is a desert and which is greatly dependent on foreign aid and regional and international circumstances. Loyal to his reputation, the prime minister took quite rapidly a number of steps in favor of the private sector. Specifically, he lifted price controls (with the exception of prime necessity goods) and abolished a law which called for the "Jordanizing" of foreign banks in the kingdom. He also called for the study of a project for denationalization of the Jordanian Telecommunications Company, which was the most profitable of the country's publicly owned enterprises.

Protection of Agriculture

However, his policies did not exclude a certain dose of "planning." Thus, his government banned imports of some 30 items and levied taxes on other imported goods. The purpose was to protect domestic agriculture and industry.

One of the main targets of the next 5-years (1986-1990) is to develop the productive sector by encouraging the establishment of private industrial enterprises oriented as much as possible towards exports. The Jordanian authorities would thus like to emphasize the development of agriculture in the the plateaus (grain, livestock feeds, orchards), which have been neglected so far. Wherever the ground has water reserves, in the southern part of the country in particular, the government has decided to lease or even grant miri (state) land to private companies and entrepreneurs. This would resolve the double problem of reducing the commercial deficit and food dependency (in 1984 Jordanian food imports reached 184 million dinars) and create jobs.

The Unemployment Challenge

Unemployment was virtually unknown in Jordan in the 1970s and until the beginning of the 1980s. Today its rate is becoming alarming: 6.5 percent according to the Ministry of Planning. Cohesion and family, not to mention tribal, relations, which are still very strong in Jordan, are for the moment at least, a substitute for unemployment insurance. However, the Jordanian leadership is quite anxious to curtail this phenomenon which appears to present the major challenge for the years to come. The active Jordanian population, 595,000-strong today, will increase by at least 40,000 job seekers between now and 1990. An even greater concern is the possibility of a massive return of Jordanian expatriates[1], caused by the economic difficulties experienced by the Gulf Arab countries. Jordanian experts estimate that 5 years from now the unemployment rate would reach 7-8 percent, even with the ideal hypothesis according to which the plan for the growth of the GNP--6 percent annually in real figures--would be implemented.

"In order to solve the unemployment problem satisfactorily, a higher growth rate would be necessary, which would force us to make investments higher than those we could afford," commented an aide to the minister of the plan. This is one of the dilemmas of the Jordanian leaders, who would like to maintain an economic growth which would at least equal the population's natural growth (3.9 percent) and also to keep Jordan's foreign debt within reasonable limits.

The investments planned for the next 5 years--3.5 billion dinars--will have to be partially procured through loans assessed at 1.2 billion dinars. The Jordanian civilian foreign debt is relatively modest--978 million dinars last June. However, to this we must add the military debt which is at least double that.

FOOTNOTE

1. Currently 800,000 Jordanians live outside their country, 325,000 of whom are employed; 85 percent of the latter work in the Gulf countries.

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ARAB SECURITY STUDIES CENTER INAUGURATED IN RIYADH

London AL-SHARQ AL-AWSAT in Arabic 6 Nov 85 p 2

[Article: "Prince Nayif Discusses Comprehensive Arab Security Plan To Counter Terrorism"]

[Text] Saudi Arabia's Interior Minster Prince Nayif bin 'Abd-al-'Aziz has confirmed the existence of a security plan to counter terrorism, and said, "Of course, the interior ministers will bring up any topic related to this matter at their next conference. Everything pertaining to security will always be a matter of concern to the interior ministers." He said that the dangers surrounding the Arab nation and encroaching on its beliefs and security can be faced by making the security forces more efficient, and, at the same time, by getting the Arab citizen to cooperate with the security agencies so as to be the first line of security. He also stressed the importance of coordinating security efforts and activities among the Arab countries, so that mistakes can be prevented or made less likely.

These remarks of Prince Nayif were made while he attended the official opening of the Arab Center for Security Studies and Training in Riyadh.

Responding to a question as to what has been accomplished in the area of Arab security integration, Prince Nayif said, "We are still in the process of doing this. The interior ministers' meetings have built bridges and channels of communication among Arab security agencies."

He stressed that security integration is a goal: "We feel that we have just started along this road, and we hope to complete the process in order to achieve this goal."

Voicing his feelings about Arab participation in the inauguration of the permanent headwuarters of the Arab Center for Security Studies and Training, he said, "We are happy and delighted that this endeavor, resolved on by security men and especially by the interior ministers, has been achieved, praise God, and that we should see security officials, representatives of interior ministers, brother Arab ambassadors, and present and past board members taking part here today. Mankind will no doubt be very happy to see that an endeavor which had been a hope has now become reality. Our happiness will be even greater when we see the results of this center reflected in human efficiency, helping to find solutions to the security and social problems besetting our Arab societies."

With respect to the center's accomplishments, Prince Nayif said, "Compared to the length of time the center has been in existence, we find that it has made major accomplishments with respect to classes and activities. I believe that the very fact that the center exists is one of the greatest achievements of collective Arab action, and that this will certainly be reflected in the efficiency of security personnel, courts. and social welfare throughout the Arab world. This makes us pin great hopes on the center; God willing, the center will take its rightful place, not just in the Arab world but on the international scene."

Prince Nayif added that the center has become internationally recognized: "Surely, comparing the center's accomplishments to its short life-span, I expect the center to have a fine future satisfactory to all, God willing."

Responding to a question as to why the Kingdom of Saudi Arabia comes first among nations with respect to stability and security, he stressed that this is due to the application of the Islamic Shari'ah.

As to the information media's role in helping achieve security, he emphasized that information is a double-edged sword; if used constructively for the good, its gifts will be great, but if used wrongly, its harm will be correspondingly great. "There is no doubt that the Kingdom's information media are trying to help the security agencies carry out their duties."

Prince Nayif praised the positive step taken by the Kingdom's information media in prohibiting the showing of films and serials which encourage crime and which are intended for sheer material gain. Likewise, he praised the information media's role in assisting the security agencies by making people more conscious of security and by showing those program which the security agencies think should be show to the citizens. He said, "We are holding out great hopes that all information media in all Arab countries will effectively and responsibly share in the responsibility for the Arab world's security."

As for the part being played in collective Arab security activity by Arab security bureaus such as the narcotics bureau and the civil defense bureau, the Saudi interior minister explained that they are making a big contribution to joint security work. All those bureaus have been in existence ever since the founding of the Arab League, except for the civil defense bureau, which was established at the last interior ministers' meeting. Headquartered in Morocco, it is now directly carrying out its tasks. In general, these bureaus have made a very fine effort considering their capabilities.

Speaking of the Arab interior ministries' efforts to eliminate the discrepancies among their various legal systems and to arrive at a standardized legal code, he said, "This proposal is one of the goals of the council of Arab interior ministers, as well as a goal of the security studies center. For this reason, we hope that homogeneity in Arab criminal law will be achieved soon."

Referring to Saudi Arabia's measures to protect the country from the narcotics epidemic, Prince Nayif said that every country in the world suffers from this epidemic just like the Arab countries. He said, "We are trying to resist and combat narcotics effectively within the Kingdom, and the Kingdom is also working with fraternal Arab countries and concerned international organizations. We hope that the efforts of all the organizations involved will come together in order to fight this epidemic, which is aimed at destroying the nation's young people."

The Opening Ceremony

Yesterday morning Prince Nayif bin 'Abd-al-'Aziz officially opened the permanent headquarters of the Arab Center for Security Studies and Training in Riyadh. Governor of Riyadh Province Prince Salman bin 'Abd-al-'Aziz cut the ribbon, thus proclaiming the official opening of the center, and unveiled the commemorative plaque. He then went to the ceremonial hall, accompanied by Center Chairman Dr Faruq 'Abd-al-Rahman, representatives of Arab interior ministers, and several Arab ambassadors, and the opening program began. He delivered a speech in which he said, "This organization of yours is an Arab organization serving all the security agencies of all the Arab countries. As you know, it follows a course charted and financed by all the members of the Arab league without exception."

"The government of the Kingdom of Saudi Arabia is proud to be the host for the center's headquarters, and has provided everything the center needs to help it carry out its task well. King Fahd bin 'Abd-al-'Aziz has also graciously expressed his feelings of duty towards the fraternal Arab states and his belief in the center's mission."

Murad's Speech

Then Center Chairman Dr Faruq 'Abd-al-Rahman Murad delivered a speech in which he said, "The center's scientific activities in the field of crime prevention throughout the Arab world fhas made specialized foreign and international organizations, particularly the United Nations and its research centers, look upon this center as an Arab scientific authority specialized in this field, and thus they have tried to forge firm bonds of cooperation with it. The Arab Center for Security Studies and Training in Riyadh has continued to organize specialized scientific conferences and seminars in cooperation with these international agencies. In fact, the United Nations requested the center to help organize and prepare its seventh conference on crime prevention and the treatment of criminals, which was held recently in Milan."

He added, "As for the security climate in Saudi Arabia, security and stability prevails throughout Saudi society by virtue of the firm application of the Islamic Shari'ah." He referred to the Arab interior ministers' insistence that Prince Nayif assume the permanent chairmanship of the center's board of directors, thus pinning great hopes on the center's progress and activities under Prince Nayif's supervision and guidance.

The Arab Center for Security Studies and Training is a scientific agency permanently headquartered in Riyadh. It was founded by Arab decree as a result of the meetings of Arab police chiefs, and was approved by the Arab interior ministers, for the purpose of linking scientific research with training and pursuing subsequent integrated activities related to the application of the center's activities, which serve the security agencies of all the Arab countries.

The center's headquarters is a complete city with its own utilities and services, covering 160,000 square meters, and comprising all the equipment which will help the center achieve its purpose as an Arab organization with an international legal identity.

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OVERALL COST OF LIVING CONTINUES TO DROP

London AL-SHARQ AL-AWSAT in Arabic 26 Nov 85 p 4

[Article: Cost of Living in Saudi Arabia Drops For the Second Consecutive Year, By 2.2 Percent"]

[Text] An official source at the Saudi Ministry of Finance and Economy has announced that the General Statistics Administration's periodic report on prices and relative changes in cost of living indices shows that in 1985, the cost of living in Saudi Arabia showed a 2.2 percent decline from the previous year, as a result of falling prices for some goods and products.

The cost of food dropped 2.7 percent, with the price of fish dropping 10.1 percent and eggs 19.6 percent. Clothing costs registered a 4.6 percent drop and household furnishings a 4.1 percent drop. The report also referred to an overall 3.2 percent drop in rents, a 5 percent drop in the cost of education and recreation, and a 9.7 percent drop in prices for personal items.

Categories registering a rise in prices included the oils and fats group, showing an 11.4 percent rise; the fuels and energy group, showing a 25.2 percent increase; and medical care, showing a 1.1 percent rise. Transportation and communications was the only category registering no change at all.

Altogether, the final result for the overall cost of living for 1984 was a 2.2 percent decline.

It should be mentioned in this context that the Kingdom's overall cost of living for 1984 dropped for the first time in 14 years, by 1.3 percent. Comparing the 1985 drop with 1983, the decline in the cost of living amounted to 3.5 percent.

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MAJOR PHOSPHATE DEPOSIT DISCOVERED IN NORTH

London AL-SHARQ AL-AWSAT in Arabic 18 Nov 85 p 4

[Article by Mansur al-Badr: "The Latest Mineral Discovery In Saudi Arabia: A Huge 1-Billion Ton Phosphate Reserve In the al-Jalamid Area"]

[Text] Muhammad Rashid Dahlawi, project director general for Saudi Arabia's General Directorate for Mineral Resources in Jiddah, has announced that studies are now under way to determine the economic and commercial worth of the huge discoveries made by the geologic team sent out by the Mineral Resource Directorate's Jiddah project department. The team discovered a huge phosphate source, initially estimated at close to 1 billion tons, in the al-Jalamid area of the Wadi al-Sirhan basis in the Turayf region of northern Saudi Arabia.

In his statement to AL-SHARQ AL-AWSAT Dahlawi said, "This discovery is not the first such discovery of mineral resources in Saudi Arabia and will not be the last, since phosphate was discovered in the Kingdom more than 10 years ago. However, the recent discovery is a major one, since in recent years we have concentrated on this area."

National Expertise

Dahlawi explained that the Ministry of Petroleum and Mineral Resources, which is responsible for mineral prospecting in the Kingdom, is working with international teams staffed with experts in order to carry out prospecting operations. He said, "In addition to the international experts, there is a group of Saudi engineers and geologists working side by side with the international experts and geologists. The very team which discovered the phosphate in al-Jalamid included a group of Saudi geologists as part of the team."

Speaking of this discovery's economic value, Dahlawi said, "We don't have the final results yet, for such studies usually take some time. Samples will be taken from the discovery area for analysis and testing, since it is hard for us to analyze 27 square kilometers. After we get the laboratory results of the sample analyses, we will be able to determine the possibility and economic advantages of extracting the phosphate."

Comparing the volume of the phosphate discovery with world discoveries, Dahlawi explained that the current estimate of 1 billion tons is only a preliminary estimate and, considered from the practical standpoint, represents a major discovery compared to the amount of phosphate in the world.

Preparations For Mining

He said, "The discovery site is an easy one to extract phosphate from, since it is located on an open plain, which is considered one of the discovery's advantages. There are other things to consider, such as transporting mining machines and equipment."

Muhammad Rashid Dahlawi, Jiddah project director for the Mineral Resources Directorate, concluded his statement to AL-SHARQ AL-AWSAT by discussing the exploitation of mineral resources in the Kingdom. He said, "The Kingdom's mineral resources have not yet been fully exploited, although the relevant studies are complete or almost complete. However, there can be no economic exploitation until an infrastructure for the mining area is completed and readied--and this requires great efforts."

It should be mentioned that the recent phosphate discovery in the al-Jalamid area of the al-Sirhan basin in the Turayf area of northern Saudi Arabia, which according to preliminary estimates amounts to 1 billion tons, consists of a layer of phosphate-bearing rock varying from 4.5 to 5 meters in thickness, containing from 17 to 18.7 percent phosphoric pentoxide, at a depth of 11 to 15 meters below the surface. The discovery area covers 37 square kilometers containing strata of "al-fitani" phosphate some 11 meters below the surface. The area is located on the 360 north and the 295 east lines.

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STATE BUYING FARMERS WHEAT AT FAVORABLE PRICES

London AL-SHARQ AL-AWSAT in Arabic 26 Nov 85 p 4

[Article: "Incentives and Facilities For Purchasing Wheat From the Farmers; New Crop Estimated At 1.7 Million Tons"]

[Text] Director General of Saudi Arabia's General Organization for Grain Silos and Flour Mills Dr Ahmad Shinawi has announced that to date about 1 million tons of wheat from the 1985 crop have been received at the Kingdom's silos, which are still accepting wheat from the farmers. It is anticipated that 1.7 million tons of wheat will be delivered, inasmuch as the 1984 crop amounted to 1,346,943 tons and the 1983 crop was 674,631 tons.

In his interview with AL-SHARQ AL-AWSAT, Dr Shinawi said that this increase in wheat production was primarily due to the enlightened agricultural policy being followed by the Kingdom of Saudi Arabia with the support and guidance of King Fahd. This policy has had a significant effect on increasing wheat production to this abundant level, since the generous material incentives offered the farmers and agricultural companies by the state has allowed them to make use of the most modern production methods and agricultural machinery and the best types of seeds. The Kingdom, after having depended on imported wheat for the past few years, has recently been able to offer wheat as aid to some countries.

Concerning the material incentives offered to the farmers by the state, Dr Ahmad Shinawi pointed out that the policy whereby the silos purchase the wheat at incentive prices has ensured a stable market and rewarding profits for the farmers.

Some 8,699 farmers in 1982, 11,884 farmers in 1983, and 15,911 farmers in 1984 have benefitted from these incentive prices for Saudi wheat delivered to the silos.

Net incentive profits in Saudi riyals for Saudi wheat delivered to the silos are as follows: 807,978,704 riyals paid to farmers in 1982, 2,351,677 riyals in 1983, and 4,284,174,378 riyals in 1984.

The cabinet has set these incentive prices at 2 riyals per kilogram. It should be noted that the wheat farmers' production costs have dropped, while the state has offered loans, aid and other incentives which have had a major effect in getting the farmers to make better use of irrigation equipment and modern machinery. This has allowed the owners of such equipment to spread out into producing other kinds of agricultural produce besides wheat.

Referring to the grain silos and their storage capacity, Dr Shinawi mentioned that through the state's aid and encouragement for grain silo projects, the Kingdom of Saudi Arabia has acquired a number of silos in various parts of the country. There are silos in Riyadh, al-Qasim, Ha'il, Khamis Mushayt, Jiddah, Dammam and al-Jawf capable of storing about 1 million tons of wheat, and next year this storage capacity will be increased to 1.5 million tons once the Tabuk and Wadi al-Dawasir silos are built.

The organization has other activities besides storing wheat. Dr Shinawi pointed out that in addition to building up a suitable reserve of wheat to meet any emergency, the grain silos are producing flour at modern flour mills capable of producing 4,000 tons of flour a day; once expansions now under construction are completed, this capacity will reach 5.500 tons a day. The organization's projects also include processing and producing various kinds of fodder to help develop animal resources, and supplying such products to the Kingdom's markets.

Over the past 2 years, the organization has produced the following amounts of flour, fodder and bran: wheat flour, 592,933 tons in 1983-84 and 636,284 tons in 1984-85; fodder, 102,895 tons in 1983-84 and 139,051 tons in 1984-85; and bran, 129,215 tons in 1983-84 and 180,676 tons in 1984-85.

In this context, he pointed out that state aid takes many forms, such as setting sale prices for organization-produced flour at levels far below the cost of production, selling fodder at subsidized prices, and buying local wheat at incentive prices well above world prices for imported wheat.

Table 1. Value of Local Wheat Delivered to Silos, in State-set Incentive Prices

Year	Amount Paid, in Saudi Riyals
1978	6,593,282
1979	61,264,231
1980	116,018,945
1981	298,102,609
1982	807,978,704
1983	2,351,677,362
1984	4,284,174,387
TOTAL	7,925,809,520

Table 2. Budget of the General Organization for Grain Silos and Flour Mills

Year	Amount, in Saudi Riyals
1985-86	2,443,540,000
1984-85	2,029,059,000
INCREASE	414,481,000

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SAUDI ARABIA

VARIOUS RIYADH URBAN DEVELOPMENT PROJECTS

Riyadh AL-RIYAD in Arabic 3 Sep 85 p 4

/Article by Ibrahim al-Kulayb; "Construction of Important Urban Projects in the Towns and Villages of Riyadh Province"/

/Text/ Recently 39 municipality projects were awarded covering the towns and villages of Riyadh Province and costing a total of 268,902,523 riyals. Construction has started on some of these projects and will start on others during the next few days. Meanwhile, the General Department of Municipality and Village Affairs in Riyadh Province carried out a number of projects in various towns the last fiscal year, 1984-85, including the construction of six public rest houses for pilgrims in the towns through which pilgrim caravans pass--al-Zilfi al-Mujamma'ah, Shaqra', al-Quway'iyah, al-Dawadimi, and 'Afif--at total costs of 43,782,718 riyals; work has been completed and delivered on some of these and is on the verge of being completed on others, and pilgrims in God's holy place will benefit from these this year.

The recently appointed director general of municipality and village affairs in Riyadh Province, Eng Sa'd Ibn 'Abd-al-Rahman al-Hammudi, told AL-RIYADH that a number of public bids have been awarded to provide equipment and cars for municipalities and communities in the province at a total cost of 5,437,768 riyals. He said that 10 projects had previously been put up for public bidding and their envelopes have been opened, and these will soon be discussed. There are also a number of public bids to provide machinery and equipment for the province's municipalities and communities on which discussion will take place soon, and in addition to that there are 10 projects and five operations to supply potable water by tank truck which have now been put up for public bidding.

Awarding 39 Projects

Eng Sa'd al-Hammudi stated that the 39 projects which were recently awarded include the towns and villages in Riyadh Province. These are: in al-Kharj, the temporary paving and lighting project, the central market project, and the paving, sidewalk construction and lighting project; in al-Mujamma', the construction of two canals, the lining of the flood channel, paving, sidewalk construction and lighting in Hurmah, paving, sidewalk construction and lighting in al-Mujamma' and completion of the project to fence in cemeteries in al-Mujamma'; in al-Zilfi, the paving, sidewalk construction and lighting of the al-Kuwait Road; in Shaqra', temporary paving, lighting, construction of three vegetable and meat markets in Shawra', Ushayqir and the religious trust in al-Qara'in, the arrangement and planting of trees in public parks in Ushayqir and the religious trust in al-Qara'in; in al-Dawadimi, the project for a water system, the process of maintaining and operating the existing potable water system project and construction of a mortuary; in Wadi al-Dawasir, the construction of vegetable and meat markets in al-Khamasin, al-Lidam and al-Nuway'imah; in Hawtat Bani Tamim, a water system project with a tank; in Jalajil and al-Tuwaym, a project for paving, sidewalk construction and lighting and preparations for providing potable water by tank truck; in al-Sulayyil, paving, sidewalk construction and lighting; in Thadiq, the construction of a flood channel, paving, sidewalk construction, lighting and a vegetable and meat market; in Darma' and the villages belonging to it, temporary paving; in Tamir and its villages, temporary paving and the provision of potable water by tank truck; in al-Ruwaydah, temporary paving and lighting; in al-Dalam, temporary paving and construction of an irrigation wheel to discharge rainwater; and in al-Rayn, temporary paving and lighting.

In al-'Ayyinah and al-Jubaylah, the project to pave streets; in Marrat, the project to pave streets, fence cemeteries and fence in a square for celebrations; in al-Hayathim, the construction of a waste incinerator; in al-Aflaj, the construction of a public esplanade in the al-'Uyun area; in al-Bajadiyah and its villages, a temporary paving and lighting project; and in al-Hilw, a street paving project.

Concerning the projects previously offered up for public bids, whose envelopes have been opened and which will be discussed soon, Eng al-Hammudi said that there were 10 projects: in al-Kharj, the temporary paving project; in al-Mujamma', the construction of the slaughterhouse and completion of the public street with the construction of a bridge over Wadi Hurmah; in al-Dawadimi, the temporary paving and lighting project; in al-Sulayyil, the paving, sidewalk construction and lighting project; in al-Hariq, the paving, sidewalk construction and lighting project; in al-Dilm, the paving, sidewalk construction and lighting project; in al-Hayathim, a water system with two tanks; in Huraymala', the fencing in of a cemetery north of the town of al-Barrah; and in Sajir, the fencing in of the cemeteries of Qasr al-Mashuh, al-Khadra', Butayyin and al-Thandwah. In addition to that, there are 10 projects and five operations for providing potable water by tank truck which have now been put up for public bids. These are the supply of potable water to al-Zilfi, al-Dawadimi, al-Quway'iyah, Darma' and Hawtat Sudayr, the study of rainwater discharge in Sajir, the study of rainwater discharge in al-Hariq, the paving, sidewalk construction and lighting project in Marrat, the project to pave and construct sidewalks for the public street in'Afif, the temporary paving project and the paving, sidewalk construction and lighting project in Hawtat Bani Tamim, the paving, sidewalk construction and lighting project in al-Aflaj, the paving, sidewalk construction and lighting project in al-Ghat, the temporary paving and lighting project in al-Hayathim, and the paving, sidewalk construction and lighting project in Huraymala'.

Followup and Attention to Projects

The recently appointed director general of municipality and village affairs in Riyadh Province, Eng Sa'd 'Abd-al-Rahman al-Hammudi, went on to say that most of these projects extended to projects upon which the towns and villages of Riyadh Province had previously been graced by orders of his majesty the king, may God protect him, in accordance with the recommendations of the committee drawn up under the chairmanship of His Royal Highness Prince Salman Ibn 'Abd-al-Aziz, governor of Riyadh Province, with deputy ministers as members.

120 New Projects

In concluding his statement, Eng al-Hammudi stated that these projects were being studied, their plans and specifications were being prepared within the department in coordination with the province municipalities and communities, and that work was going on at full pitch to supervise the projects now under construction in the towns and villages of the province, numbering more than 120, to complete the procedures for the projects which were awarded recently and to complete the studies and plans for projects soon to be offered up for public bidding, thanks to the directives of His Excellency the minister of municipality and village affairs, Mr Ibrahim al-'Anqari, and his daily follow-up on the accelerated execution of these development projects for the towns and villages of the province, in keeping with the upright policy of the government under the leadership of his majesty the king and his highness his devoted crown prince.

He pointed out that the Riyadh Province department was carrying out all its projects through Saudi contractors, in application of the lofty orders in this regard.

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VARIOUS EASTERN PROVINCE AGRICULTURAL ACHIEVEMENTS NOTED

Riyadh AL-RIYAD in Arabic 8 Sep 85 p 2

/Article by Hani al-Hadif: "Activities of the Eastern Province's Agricultural Branch Last Year"/

/Text/ The General Department of Agriculture and Water in the Eastern Province has established guidance fields for farmers on their farms. These number 127, covering areas ranging from 1.5 to 3 donums.

This was pointed out by Mr Muhammad Ibrahim al-Khalil, director general of the Ministry of Agriculture and Water branch in the Eastern Province.

He added that the department had issued 144 agricultural workers' entry certificates for 500 agricultural workers. The following are the statistics enumerating the department's activity last year, 1983-84:

Permits were issued to drill artesian water wells for drinking and farming purposes; these came to 59 in number, of which 19 were government-owned and 40 were private.

The treatment of farms covering 23,828 donums in the province to combat agricultural pests, as well as treating and spraying 77,155 fruit trees.

Poultry projects up to late 1984 totalled 102, 46 of which were for eggs and 56 for meat production. A total of 181,189,136 eggs were produced as well as a total of 6,687,153 meat chickens. The department and its branches immunized fowl (poultry) with preventive injections against diseases, immunizing 13,873,40 fowl; 743,503 animals and livestock were immunized and a total of 593,967 animals were treated for diseases.

The agricultural and veterinary quarantines in al-Dammam, al-Khafji and al-Raf'i:

Total various agricultural imports through these three points of entry came to 2,121,515 tons. A total of 929,044 head of livestock, 1,454,627 fowl (poultry and so forth) and 38,741,172 kilograms of diverse animal products were imported. The following local output was to Fraternal Cooperation Council countries through the three points: 14,741,172 kilograms of fruit and vegetables, 52,164 kilograms of Saudi Fish Company frozen shrimp produc- and 10,049 date palm seedlings and shoots.

Concerning the projects that were completed, the director of the branch said that the following projects had been carried out:

The project to lay the water system for the potable water project in al-Qatif (the third stage), at a cost of 12,256,840 riyals.

The potable water project in al-Ajam, which has been put into operation; its total costs come to 2,932,920 riyals.

Water projects in Safawi, Sayhat and Abu Ma'n, which have been put into operation and whose total costs have come to 18,016,911 riyals.

The drilling of nine potable water wells for total costs of 2,768,687 riyals in Sanabis, Abu Ma'n, al-Jarudiyah, Umm Rabi'ah and al-Saman.

Projects under construction:

The potable water project in Hafr al-Batin. The project has the goal of covering Hafr al-Batin and al-Qaysumah and consists of the following (first stage):

A field of wells: the drilling of seven productive wells with an average production of 1,400 gallons per minute per well.

Transmission lines and systems: pipes are being supplied for a total cost of 67,500,102 riyals. The pipes have also been installed for a total cost of 85,320,690 riyals.

The main water transmission lines come to about 75 kilometers in length. The length of the main and branch distribution lines is about 327 kilometers; that is, the pipelines total about 402 kilometers.

The purification plant and annexes to it:

These include a water treatment plant of 18,000 cubic meters a day, the erection of four high towers (tanks) in al-Qaysumah and Hafr al-Batin with a capacity of 8,000 cubic meters per tank, and the establishment of ground-level tanks in the treatment plant at the well sites. The total cost of the treatment plant with annexes comes to 98,216,525 riyals, along with the supply and installation of pumping units and the necessary facilities.

The total cost of the first stage of the potable water project in the Hafr al-Batin area now being carried out has come to 251,037,317 riyals so far.

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VARIOUS WADI AL-DAWASIR PROJECTS REVIEWED

Riyadh AL-RIYAD in Arabic 3 Sep 85 p4

/Article by Nasir al-Hamdan: "AL-RIYADH Goes on Tour and Observes Wadi Al-Dawasir's Requirements: The Region Has Been Covered by Ambitious Modernization and Construction Plans"/

/Text/ It is now the experience of the Wadi al-Dawasir area, like other areas of the kingdom which have been covered by modernization and development, as part of the concerns of the ambitious development plans, that the people in the rural areas in this territory are getting services and generous provisions similar to those the people in the towns are receiving. In the Wadi al-Dawasir area, you can glimpse some of these great achievements which have been provided here and there, since the green areas extend in their turn to participate in realizing self-sufficiency in food, along with all the other facilities which have been created for these citizens' sake.

A number of citizens in the Wadi al-Dawasir area expressed these facilities' capability and effect and the direct reflection of their services on their lives to AL-RIYAD in the course of some brief meetings with them, where they said:

The citizen Sa'd Ibn Muhammad Ibn Hazib from the village of Al Hymaydan: The area enjoys many of the services which have been provided for it, but it needs an airport and telephone service so that the sequence of services the region enjoys can thereby be made as complete as those the other areas of the kingdom enjoy.

The citizen Majid Hasan 'Abdallah Shari', from the village of Al Nahish, pointed to the importance of having an airport serve the region. He also hoped that the Rinah-Wadi al-Dawasir road would be paved because of its importance for citizens in the area.

From the south of the valley, the village of al-'Uwaymir, the citizen Muhammad Nasir al-Quday' said that the growth which the region has experienced has become obvious and visible and does not need much effort, God be praised, except that the airport remained a hope commonly felt by the citizens of the valley, along with the provision of a water system, on which construction has begun.

In the town of al-Walayin, which is considered one of the main ones in the valley, the citizen Mabruk Salman al-'Uthman said, "Through God's Strength, the region has been supplied with much of the wherewithal for growth and construction it needs and it is being supplied with the resources of modern life in every sense of the word. However, in any event, this does not constitute all the aspirations of the citizens of the region; undoubtedly, like the other areas of the kingdom, it is striving to have the sequence of facilities and services the ambitious development plans in our country have provided it be completed. One of the most important requirements is the construction of an airport to serve the region, a public square for official occasions and celebrations and the expansion of health services in a broader form than those that exist at present.

In the capital of Wadi al-Dawasir, al-Khamasin, the citizen Muhammad 'Abdallah Tamim asserted that the region was experiencing many aspects of agricultural resurgence and it was being provided with all the accessories of modern activity in terms of modern equipment and the elimination of agricultural pests to farm wheat in accordance with modern systems.

Shaykh Mijdal Muhammad al-Dawsari referred AL-RIYADH to the agricultural roads. After stressing their importance and absence, and hopes that they would come into being, he addressed himself to the Raniyah-valley line and beseeched God, and officials in the Ministry of Communications, that work on paving it would be done because of its major importance for the region and the farmers' need for it in particular. He said, "We market our agricultural products in the city of Riyadh, which is 700 kilometers away from the region. If the valley-Raniyah route was paved, that would enable us to market our products in the al-Hijaz area, since the distance is no more than a mere 180 kilometers."

He addressed himself to another problem facing farmers in the area, that of marketing, and hoped for the creation of a company to market agricultural products. (He said) "For example you find consumers here sometimes who get a box of tomatoes for 50 riyals and on some occasions its price is no more than just 5 riyals. The farmer and the consumer sustain the losses at the same time. Our goal as farmers in creating this company is of course to get fresh agricultural produce into the hands of the consumer in good condition at a reasonable price."

We headed north, where the town of al-Makharim was located. There, we met with a citizen, Mr Mansur Fahd al-Sa'id, who hoped that there would be an airport, then referred to his town's need for telephones, although telephone lines pass alongside them no more than 500 meters away. He beseeched officials in the Ministry of Post, Telephone and Telegraph that this hope would be realized, as he said.

The director of the education department in Wadi al-Dawasir stressed the importance of having an airport, as the most important facility the Wadi al-Dawasir area required, and stated that the presence of an airport had become an urgent necessity more than at any time in the past for a number of reasons, one of the most important perhaps being the region's remoteness from Riyadh as the closest city to Wadi al-Dawasir, 700 kilometers away, in addition to the increasing pressure on overland transportation and the hardship and waste to which travelers are subjected.

Mr Ali also pointed out that it had become necessary to pave the Raniyah-valley route in view of the maximum importance that entailed for the region, especially since it connected it to the Western Province, the al-Hijaz and the holy shrines, adding that that would help reduce the costs of services and consumer goods and lower transportation costs, as well as marketing agricultural products between the region and the Western Province and raising the capability of some government departments and agencies, in particular health and municipality services, to keep up with the blessed resurgence and the giant aspirations the national development plans entailed.

AL-RIYAD, through its correspondent, continued its tour of the towns and villages of Wadi al-Dawasir. It met elsewhere with a citizen of the town of al-Nuway'imah, 'Abd-al-'Aziz Muhammad al-Ghinam, who sustained the insistence on the need to have a civil airport serving the region. He referred to urgent cases of illness which required treatment in Riyadh, since there was extreme difficulty in traveling, especially since the distance was 700 kilometers.

Al-Ghinam also addressed himself to an important point, which was the large number of animals which had been hit on the Riyadh-Wadi al-Dawasir road, often causing grievous accidents which innocent people of the region going to Hemen, Najran and the south were subjected to.

Wadi al-Dawasir's correspondent headed northeast, where he stayed as a guest of the town of East al-Shirafa, which greets you with innovative vegetations since its homes are in beautiful green gardens, in order to meet with a citizen there, Mr 'Isa Dahsh 'Abdallah al-Dawsari, who welcomed us and said that the Wadi al-Dawasir area's general demand was for an airport, without a doubt, then a linkup of the Raniya-Valley road with a paved route.

He then talked about his town's demands, stating "I in the name of the inhabitants of the town of al-Shirafa consider that the beloved officials in each ministry should meet some of its demands, especially for telephones, especially since they are only a short distance away from the town of al-Quway'iyah, where there are telephones. I also hope for the opening of a post office and the staffing of the town clinic with skilled doctors."

We also met with another citizen from the same town, the citizen Jum'an Khurays 'Abdallah al-Dusari, who stressed the need to have telephone service.

He then expressed his hopes that a sports city would be built in the region, owing to urgent, essential need, because there were two official sporting clubs there and a large number of young athletes, who need playing fields where they can engage in their sports hobbies.

We then set out eastward, a bit to the southeast, making an appearance in the town of Kamidah, an emerging town which stands proudly, viewing a brilliant future with high hopes, with God's permission. We came upon the citizen 'Abdallah Ibn Zafir al-Haqbani, an inhabitant of the town, who expressed his great thanks and that of the people of his town to AL-RIYAD newspaper for this unique, pioneering initiative, which was the first of its kind, then addresssed himself to the most important needs of the town of Kamidah, which he summarized in four points:

The opening of a clinic to serve citizens.

The opening of an intermediate boys' school.

The opening of a civil defense center, since this town is agricultural and spacious and has a number of gas stations.

He beseeched the officials that the hopes and requests of the people of the town of Kamidah would be realized.

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SYRIA

KHADDAM REJECTS 'HEGEMONY' OVER LEBANON

Beirut LA REVUE DU LIBAN in French 16-23 Nov 85 pp 19-22

[Interview granted by 'Abd al-Halim Khaddam, Vice-President of the Syrian Republic; date and place unspecified]

[Text] He is relevant, extraordinary perspicacious and persistent, and with a great deal of courage which, despite 5 assassination attempts, has helped him to maintain an unaffected high morale. Add to this a lofty spirit of honesty and a sensible way of exercising his prerogatives.

He is considered by everyone the godfather and maker of anything related to Lebanese policy, for President Hafiz al-Assad trusts him totally, which is consistent with his competence, morality and subtleness.

His speech proves his dexterity of thought and elocution. Nothing can surprise him, for he remains receptive at all times. Deep within him are traces of a brilliant lawyer who knows how to deal profoundly and knowledgeably with cases, concerned with protecting the interests of his "petitioners."

He dislikes being called "his Excellency the Vice-President," preferring to be called Abu-Jamal, for in his opinion it expresses simplicity and brings him closer to the people. He cherishes such simplicity and closeness to the citizens. Moreover, to him they are a source of happiness.

He did not reach the "summit" with a helicopter but mounted the ladder leading to the highest positions gradually. He was a well-known attorney, then administrator, minister of the economy, minister of foreign affairs and deputy prime minister.

He excelled in all positions. He is as skillful in speaking as in listening, displaying an extraordinary comprehe[illegible]on. Furthermore, he has an unlimited amount of patience, which allows him to share the suffering of people, to tolerate their whims and faults and even their pretentiousness.

In Lebanon and in the Arab states, he is considered the greatest "Lebanologist." He earned this title as a result of his long experience and after having burned his fingers in dealing with our crisis.

Such is, briefly, the personality of 'Abd al-Halim Khaddam, vice-president of the Republic of Syria, who was kind enough to grant an important interview to the newspaper AL-BAYRAK, LA REVUE DU LIBAN and MONDAY MORNING.

Three Lebanese Generations With Different Visions

[Question] It is known that you are the main artisan of Syrian policy of President Hafiz al-Assad, both international and Arab. What have you had to take from Lebanese politicians, the old, the "traditionalists" and the new, in the last few years?

He burst out laughing before answering: "We must find an answer which will help us to find a solution rather than prevent it." He went on: "Like any country, there are different generations in Lebanon. There is a generation of independence, the one which contributed to the advent of the era of independence and the formulation of the current situation.

"There also is a generation which was raised in the shadow of the first, whereas a third generation was raised with the regrettable Lebanese events. If we want to find a way to settle the Lebanese crisis, we must consider the situation in a realistic and practical manner, for otherwise reaching a solution would be difficult.

"The three generations I mentioned are not limited to any specific part of Lebanon or to any exclusive category. I had the opportunity to become thoroughly familiar with these three generations by virtue of my contacts and meetings with a large number of Lebanese in the past few years. Each of these generations has its political vision and thoughts different from the others and that is what I was exposed to by these three Lebanese generations."

The Logic of the Gun...

[Question] It is said in Lebanon that those who have acceded to the leadership with the gun would lose it if they give up their weapons, regardless of slogan or other considerations. What has been the impact of this state of affairs on currently formulated agreements?

[Answer] This is not a question of whether one carries a gun or not. Actually, the struggle in Lebanon pits against each other armed against unarmed factions. In frequent cases those without weapons have been the most virulent in this war compared to those bearing arms. In other cases the latter were the most irredentist. That is why we cannot distinguish between the armed and the unarmed. What there are are ideas. Therefore, we must distinguish among ideas, opinions and political orientations.

The bearers of guns in Lebanon are citizens providing the material means to politicians in this war. I have found out that many of them had committed themselves to a war decided by others, by those who would like to use the war as an instrument and a means of setting things ablaze without playing a role in building the Lebanon of the future. That is why this question does not apply to those who carry guns, but to those who have made such decisions and exploited those who carry guns.

[Question] Could the latter help to promote security and obey orders?

[Answer] Those who carry guns would obey orders if we could reach an agreement which would stipulate the dissolution of paramilitary organizations which should surrender their weapons to the state. Such a decision would have to be made, of that we are certain.

No Solution or Religious Hegemony

[Question] The impression is that the Sunni in Lebanon would be the main beneficiaries of an intialed and implemented agreement, for they do not resort to arms and have had no militia, which would help them to gain more converts. Is this accurate?

[Answer] We in Syria do not look at the Lebanese situation in terms of separation among religions, as it appears on the Lebanese scene, for we consider such a division the cause of all Lebanese misfortunes. The agreement which should be concluded does not take something from a given faction in order to give it to another; it takes from everyone to give it to Lebanon only.

It would be illogical to trade one religious solution for another or to replace one religious hegemony with another. Any solution, any agreement would put the decision in the hands of the Lebanese people, of all Lebanese; it would return security, peace and sovereignty to Lebanon as a state and as a Lebanese people, rather than to one party or another. Syria cannot accept a solution or support an agreement which would sanction a division based on religion, religious hegemony or religious orientation."

Syria has no Claims in Lebanon

[Question] Mr Vice-President, some leaders of the Lebanese Front say that the draft tripartite accord, as published in some newspapers, sanctions total Syrian takeover of Lebanon. What do you think?

[Answer] Such statements rate neither an answer nor a discussion, for in my view those who have stated them do not believe their authenticity. They are well aware of the fact that Syria has no claim in Lebanon whatsoever. Its sole ambition is to see Lebanon regain its unity and vitality, achieving a national accord on the basis of the recovery of its unity and independence, as well as reforms which would grant the Lebanese equal rights and obligations. Nothing should differentiate among the Lebanese other than which they contribute to their country."

Democratic or Presidential System

[Question] Some Lebanese parties claim that the amendments inserted in the new agreement make the republic's presidency marginal....

[Answer] Lebanon has a president of the republic, who does not become marginal with the agreement; the agreement establishes his powers within their natural context.

According to the new agreement, the president of the republic is the head of state and the symbol of its unity, in charge of protecting the constitution. He is the chairman of the Defense Council. He chairs the Council of Ministers in some basic stipulated cases, such as study and approval of the budget, declaration of war, peace or state of emergency and, if he deems it to be in the interest of the country, summoning the Council of Ministers.

A system may be parliamentary, democratic or presidential. In a parliamentary and democratic system the government is answerable and accountable to the national assembly. The assembly, therefore, must be the decision making center, for it is the assembly which passes judgement.

Decision making by the Council of Ministers allows all parties to become involved, for they assume the responsibility. If the Lebanese choose a presidential system, the president of the republic will be answerable to the people who would elect him, regardless of religious affiliation, for the president would be elected on the basis of universal suffrage and every citizen should vote in the presidential elections.

If the president of the republic does not preside over the Cabinet this is not to say that he does not count. In Syria the president does not preside over the Council of Ministers. All decisions made by the executive branch--the executive authority in Lebanon--are made by the Council of Ministers. This provides for proper development of governmental activities.

Every single day the state must resolve a number of problems. It is not logical for the president of the republic to deal with them, neglecting basic problems for the sake of undertaking the study of and settling problems incumbent upon others. In Syria the president has extensive obligations. If he were to bother with details he would be unable to govern the country and direct it in a way which has led, as is unanimously agreed, to accomplishments on the triple internal, Arab and international level.

The value of a president of the republic is not measured in terms of daily practical accomplishments but the great achievements the president accomplishes thanks to his good management of public affairs.

[Question] The Lebanese Christians, the Maronites in particular, say that if the agreement is concluded they would become second class citizens. What can you say on this subject?

[Answer] This is not true in the least. Actually, the agreement covers basic problems. It does not tend to eliminate political affiliations but to equalize the Lebanese. Would this make a Lebanese, whoever he may be, a second class citizen?

The agreement stipulates that the only distinction between one Lebanese and another is based on the extent to which each contributes to his country. Does this mean that he has become a second class citizen? If the agreement favors the rebuilding of Lebanon on a democratic basis, which would lead to an occasional flair-up in the country, does this mean that it classifies the citizens into different categories?

Let us speak realistically: The Lebanese president is a Maronite, as are the commander-in-chief of the army, the person in charge of military security and other people holding economic and security positions. Have they ensured the security and stability of Maronites in Lebanon?

Let us consider the situation as it is: There are those who hold positions but how many thousands of Maronites have emigrated and how many thousands have been killed in the course of the war? Those who have lost a son or a husband, those whose house was destroyed or who deserted their village, did they obtain from the people who hold the actual positions the guarantees they are entitled to as citizens rather than simply as Maronites?

The Guarantee Rests on a Modern State

No position can provide guarantees to anyone. The guarantees can come only from the building of a modern state, cohesive and unified, where the citizens truly feel that they are linked to a homeland directly rather than through certain connections.

Currently national affiliation in Lebanon is achieved through the intermediary of the community rather than through faith in the fatherland. Let me also specify that the Lebanese political structure has not allowed the citizen to be linked with the land and the fatherland. This explains the fact that a substantial number of Lebanese welcomed with satisfaction the Israeli invasion of Lebanon. The Israeli enemy entered Beirut, which did not prevent some people to deal with the invader although he was occupying Lebanese soil.

The real reason for this state of affairs is the fact that in Lebanon allegiance to the fatherland is through the community, for which reason we should look for the guarantees within the citizens themselves rather than within communities.

When we speak of the guarantees of the communities, we assume that the fatherland remains dismembered, for each community would claim similar guarantees. If the presidency of the republic with its extensive prerogatives constitutes a guarantee for a given community, another community would demand identical guarantees. The country should have a single president and not two, three, four, five, six, seven or eight.

The guarantee, therefore, does not rest in individuals, positions or prerogatives, but in a national system which would link the citizen to the Lebanese homeland and its land, and to Lebanese unity. This is what would provide a guarantee for everybody. As to religious guarantees, they are secessionist guarantees which would lead to the breakup of Lebanon, which is an Israeli objective.

We are Dealing With People on the Basis of Their Political Line

[Question] Statistically, what is the number of Maronites and what position do they hold in terms of the total Lebanese population?

[Answer] To begin with, you know that Lebanon is not Syria. Secondly, I have no statistical figures and we are not concerned with such type of information. In Syria we do not consider such facts and do not look at the internal situation of an Arab country in terms of its social context. We deal with people in the light of their political line. It matters little to us to determine the size of a community, for we cannot contribute to a solution based on a religious breakdown.

[Question] What would happen if the draft tripartite agreement is not signed by the negotiating parties or by any one party? You let it be understood during your meeting with the delegation of the Lebanese Bar Association that other solutions were available. What are they?

[Answer] The nonsigning of the agreement should not be interpreted as a renunciation of efforts aimed at reaching an agreement. In Syria, President Hafiz al-Assad is firmly determined to do everything possible to put an end to the state of war and achieve national agreement in Lebanon. As we know, His Excellency the President dedicates a substantial part of his efforts and his time to this matter.

In my meeting with parliamentarians of Arab origin I said that the warring parties were quite courageous in taking the road to peace. I wish some politicians would be courageous enough not to compromise the peace process.

Naturally, the nonsigning of the draft agreement would cause bitterness and disappointment without meaning a break. Syria is resolved to perservere in its efforts until the crisis has been resolved. We are aware of the extent of external interferences, American as well as Israeli, aimed at scuttling this agreement. However, I would like to say a word to those who listen to American and Israeli advice: may they profit from the lessons of the past. Such advice would bring nothing but suffering. The time has come for all parties to act in accordance with the interests of Lebanon and not of others.

The Tripartite Accord is a Work Program

[Question] Mr Khaddam, does the draft agreement commit the negotiating parties and is it enforceable? Does signing it mean undertaking its implementation or else is it an attempt which could be scuttled?

[Answer] The agreement is a practical work program formulated within a broader framework, such as the national congress. The draft will have to be ratified by the Chamber of Deputies, i.e., by the constitutional institutions.

[Question] Does it necessarily have to go through a national congress, a national assembly and constitutional institutions in order to become enforceable, or could it bypass the national congress?

[Answer] This agreement defines the modalities of the reestablishment of security in the country and it is natural that all of us would try to ensure it with the broadest possible support. We do not wish for any given party to remain outside it. What matters is for the belligerent parties or, in other words, the new generation which has appeared during the war, to be able to conduct a dialogue. In the final account, it is that generation which will live in the shade of the new situation, considering its physical and political age, which is relatively young. The initiation of a dialogue among them was important and basic. However, this does not mean in the least that the others will remain outside the agreement. Hence the concern of securing for it the broadest possible support and participation.

Syria will Impose Nothing on Any Party

[Question] Who will supervise militarily the implementation of the agreement? Will Syria impose its will by force, even though the agreement may be rejected by some parties?

[Answer] Syria has no intention whatsoever to impose anything on any Lebanese party. We are acting with a view to obtaining an agreement through dialogue, for we believe that normalization in Lebanon can be accomplished only through dialogue and agreement.

[Question] Would Syrian forces be deployed in all areas of Lebanon, including the eastern part?

[Answer] This will be discussed in the light of the security plan which must be agreed upon by the concerned parties.

[Question] Has Syria dropped President Amine Gemayel and will the forthcoming agreement make his position marginal as I have already asked?

[Answer] I find it strange that such a question would be asked at all!

[Question] What is the nature of your relations with the Lebanese Forces and with Mr Elie Hobeika personally?

[Answer] Actually, a dialogue took place with the Lebanese Forces and there have been repeated contacts with them. As a result of such contacts, we have noted that the Lebanese Forces were oriented towards peace. We have considered such orientation a matter worthy of attention; it was the basis of the tripartite dialogue among the representatives of the National Union Front and the Lebanese Forces.

Lebanon-Syria

[Question] Syria has the right to maintain special relations with Lebanon. In your opinion, what are the limits of such relations?

[Answer] You know that Lebanon and Syria are two fraternal countries with historical and geographic relations and substantial common interests. As to their dimension, it should be determined by the Lebanese in the light of what serves both Lebanon and Syria.

I say that it up to the Lebanese to determine it, for there are those who would like to harm both countries by asking some questions which could cast a doubt concerning such relations. Yes, relations between Lebanon and Syria should be of a distinctive nature, for it is our duty to act in such a way to serve both countries.

Syria has no demand on Lebanon whatsoever and does not intend in the least to exert its hegemony. Lebanon is a brother country and we cannot base our policy and cooperation with any fraternal Arab country on the basis of hegemony or the inclination to seize it.

[Question] To this there are others who answer that you intend to raise the idea of Great Syria or to set up what is known as the "Bilad Ach-Cham," which would constitute the merger of Syria with Lebanon, Jordan and Palestine. Is this accurate?

[Answer] Arab unity is a political doctrine for all Arabs. We believe that unity is the destiny of the Arab nation. However, is the question of unity between Syria and Lebanon raised at the present time? Anyone who considers this possibility aims at compromising the agreement process.

Naturally, we dream and aspire for the Arabs to achieve unity. This dream is not shared by Syrians alone; it haunts the minds of Lebanese, Egyptians, Palestinians, Iraqis and the entire Arab world.

The United States and Israel Are Trying to Scuttle the Agreement

[Question] Do you believe that America is trying to scuttle the agreement in Lebanon? Does Israel play a role in this case and, in your view, what parties would benefit from scuttling it? Furthermore, can they upset everything?

[Answer] Yes, the United States and the Hebrew state are making great efforts to paralyze the agreement project. The United States is doing it for regional reasons. It believes that the Lebanese problem is a burden for Syria.

Israel is acting for these and other reasons. It would like to dismember Lebanon and the entire area. The Israeli concept of security is based on two considerations: the first is regional expansionism, that which the Hebrew state describes as "safe borders." The second is to divide the Arabs and to keep them weak and unable to confront Israel.

[Question] You said in your meeting with the bar delegation that America is trying to implement the second stage of the Camp David Agreements. What are its targets and foundations of this stage?

[Answer] The second stage of the Camp David Agreements favors separate negotiations with Israel. We believe that peace is a fact to be decided by the Arab summit, within the framework of the Fez resolutions. However, the peace which was agreed upon at the Fez Summit is one thing and that of Camp David another.

That is why any attempt at negotiating with the Israeli enemy directly or indirectly, individually or bilaterally, would be a stage or steps along the Camp David way. In such a case Syria would take the necessary stand.

[Question] You are considered a specialist in Lebanese affairs or an excellent Lebanologist, the way others are know as "Kremlinologists." Do you believe that the presidency of the Republic of Lebanon has exceeded its prerogatives ever since independence and, on this basis, has contributed, one way or the other, to triggering the current crisis?

[Answer] Asking this question of any citizen of Lebanon would spare me from answering it.

Agreement Presumes a Government of National Union

[Question] Does the draft tripartite agreement stipulate the forming of a new cabinet, whose members would be drafted from among those who bear arms?

[Answer] Naturally, the agreement supposes the formation of a government of national union, representative of all parties. Those known as the "bearers of arms" are a segment of Lebanese political life. Anyone who believes in such an agreement, who may be involved with it or is working for its success, should participate in such a future government.

[Question] Assuming its approval, would this formula be viable or exposed, as is the current one, to shakeups?

[Answer] Lebanon has been trying the religious formula since 1860. The 1860 agreement concluded among some great powers had instituted a system based on the religious formula for part of Lebanon. The formula was extended to all of Lebanon in its current borders in 1943. Let us consider what happened with the application of the religious formula: all we can see is suffering. I believe that the proposed formula is a national Lebanese formula whose success would be assured.

[Question] Do you believe that the politicians were wrong at the beginning by not allowing the various militias to participate in the talks, specifically those held in Geneva and Lausanne?

[Answer] In Lausanne we clearly realized that the absence of armed organizations, which were operating within a political framework, had played one role and not all the roles in the noncompletion of the agreement dialogue. Nevertheless, the main role here is always based on the fact that some leaderships look at Lebanon through the lens of their own position rather than that of Lebanon.

[Question] Who will nominate the new members of the assembly? Furthermore, is the nomination an acceptable form of representation of the citizens, considering that we are at the end of the 20th century, under a Lebanese democracy which has not collapsed despite all crises?

[Answer] The question of the nomination is based on the faulty state of security and of the Lebanese force majeure. The country lives in the shadow of a civil war and armed confrontations. A transitional period should follow. In any case, considering the current chamber, despite our entire appreciation of this legislature for, from the political point of view, it played a great role by remaining the symbol of national unity, it is the only constitutional institution which represents the unity of the fatherland. This fact must be acknowledged and our appreciation to this assembly expressed.

However, going back to constitutional logic, the assembly renewed its mandate after having been granted the trust of the people for a 4-year term. Revising the law after the end of the legislature is a transgression of the rules, for which reason it was necessary to revise the law, the holding of general elections having been impossible. The force majeure which imposed the renewal of the legislature is the very same which necessitates the deputies' nomination.

We are Playing the Role of Mediators

[Question] What would happen if Christians and Lebanese Forces reject the suggested formula?

[Answer] This concerns them. As far as we are concerned, we have neither exerted nor intend to exert any kind of pressure on any party. This is their country and the future belongs to them. By this very token each party will decide for itself in this sense. We are the mediators. As I have frequently repeated it, this forces us to maintain an equal distance between us and any other party.

[Question] Will the current discussions provide for a firm security or an armistice at the expiration of which the bombing will resume if agreement is not reached?

[Answer] That which is taking place and has been the object of the agreement will guarantee the definitive peace in Lebanon, for by virtue of this agreement no party would possess arms any longer.

[Question] The Lebanese agreement mentions a security plan. Does it mean that Syrian forces will enter Lebanon in areas other than the areas where they are now stationed?

[Answer] As I have already mentioned, the agreement will assign to an ad hoc committee the care of supervising security throughout the country and formulating a security plan for the entire Lebanese territory. Should this committee request Syrian aid, Syria would determine whether it is necessary to provide it. Naturally, the committee reserve for itself the right to determine the extent of such aid and the areas where it would be required.

Syria has no intention of taking the initiative for such intervention or to advance even by a single meter. The role of Syria is to come to the aid and, should such aid be sought, it would examine its possibilities and act in consequence.

[Question] You told the leader of the barristers that displaced people would be able to return to their homes within a transitional period of 5 years. What type of guarantees would allow them to regain their villages within that period of time?

[Answer] The implementation of the agreement would provide a perfect guarantee for this.

[Question] Would the condition for the nomination of the deputies be that they come out from behind the barricades?

[Answer] There are no two categories of deputies coming from behind the barricades or anywhere else in Lebanon. Virtually anyone involved in politics in Lebanon is behind a barricade, military or political.

[Question] What is the situation with the Arab summit: will it take place at the stipulated date or will it be canceled? Will Syria participate?

[Answer] The way we see it, nothing specific has been said concerning an Arab summit and we have no information on the subject.

Assad Feels Well

[Question] How is the President's health? Is he in excellent physical shape as we wish him to be?

[Answer] The President is in excellent health. You can see the way he is doing his job and guiding the country with dynamism and great vitality. God be thanked, the President's health is better than ever before.

[Question] What is hindering the holding of an international conference on finding a solution to the Palestinian cause and in which the USSR would participate?

[Answer] The rejection by Israel and the parties which support it of the type of international conference to be held under the auspices of the United Nations and on the basis of its resolutions.

[Question] What impact would the Reagan-Gorbachev meeting have on world peace and on settling the Lebanese and Middle Eastern crises?

[Answer] Unquestionably, the meeting between Presidents Reagan and Gorbachev is an important fact which will have repercussions on the sum total of world problems. Should the Soviet Union and the United States succeed in taking a step toward detente between them this would have positive repercussions on the international situation. In the opposite case their failure would have negative repercussions.

Relations Between Damascus, Moscow and Washington

[Question] What type of relations exist between Syria, on the one hand, and the USSR and the United States, on the other?

[Answer] The USSR is a friendly country who stands by our side and supplies us with all sorts of aid, which has made it possible to face the enemy. Our relations are based on a cooperation pact initialed by the two countries; they are developing in an excellent way on the basis of this pact.

As far as our relations with America are concerned, they are linked to the American position concerning the Israeli-Arab conflict and most of the problems in the area.

[Question] What is the situation with the efforts to promote a rapprochement between Syria and Jordan and what has happened to the Jordanian-Palestinian agreement?

[Answer] There have been two meetings in Riyadh and today (last Tuesday) we shall be meeting with the Jordanian side. During the first two meetings an agreement was reached on a certain number of basic problems: first, observance of all resolutions passed at the Arab summit; second, rejection of any type of separate and partial solutions. Thus, we consider the Amman Pact as extant by virtue of this accord; third, acknowledgment that the Fez decision is the Arab draft peace plan on the basis of which the Arabs should act. It was also agreed upon that peace should be sanctioned by an international conference to be held under the aegis of the United Nations.

These are the basic points. As to relations strictly speaking, they will be the topic of a meeting and we expect a positive development in this area.

The Amman Agreement is Dead....

[Question] King Hussein has made public his desire to reestablish relations with Syria while holding on to the Amman agreement. Should the Hashemite king persist in this attitude would he meet with President Assad?

[Answer] We believe that the Amman agreement is dead for it was based on bilateral action between Jordan and Arafat. In the course of the Riyadh meetings it was decided to reject any type of unilateral action. A bilateral action is considered unilateral. That is why in our relations with Jordan or any other country we proceed on the basis of a clear and stable policy. We consider the struggle against the Israeli enemy a national struggle to which no Arab party has the right to put an end other than within the national general framework.

We want peace which has its givens and conditions. The givens of that peace are, first of all, Israeli withdrawal from all occupied Arab territories and the acknowledgment of the legitimate rights of the Palestinian people, including their right to return, self-determination and the creation of an independent state.

As far as the conditions are concerned, they are to achieve a balance between us (the Arabs) and the enemy, the negotiations having to take place within the framework of an international conference under the auspices of the United Nations.

Syria-PLO

[Question] Has the name Arafat been stricken out of Syrian vocabulary or else are attempts at rapprochement between Syria and the PLO being made?

[Answer] I do not wish to mention names and personalities, for it is rather a question of style of action. The style followed by Arafat and some of his brothers is contrary to the interests of the Palestinian cause and Palestinian people. That is why this matter conflicts with Syrian orientations and policies. Quite clearly, this case has been disposed of, for do not base our policy on feelings or personalities but on style. As to the status of Yassir Arafat, this is not our concern but the concern of the Palestinian people.

[Question] In terms of the strategic balance with the Israeli enemy, how far have you advanced in that area?

[Answer] We are working to attain this objective. We have made and continue to make great efforts to attain it and the Syrian people are withstanding this burden. I believe that we have crossed a major stage in this direction; other stages remain to be crossed.

[Question] Is an eventual military confrontation with Israel possible and has Syria taken the necessary provisions to face it?

[Answer] Since the battlefield remains open we should expect an eventual aggression and, on that basis, a confrontation.

[Question] Your friends are proud of the fact that you have been the target of five assassination attempts without your morale being affected. Furthermore, these attempts have strengthened your determination to work even more dynamically. Is this based on faith in the apostolic nature of your mission or else are you naturally brave?

[Answer] It is neither a question of an apostolic mission nor of innate courage. Whoever wants to work within the national framework should be able to endure the risks of his actions, for it is his destiny to endure all. That is what I have done. What increases my capacity to endure is President Hafiz al-Assad's and the Syrian people's support and the clear and firm national policy followed by Syria.

Arab Support for Syria is not Regular

[Question] Let us go back to Syrian affairs: is the Syrian "National Progressive Front" on vacation?

[Answer] Not in the least. Relatively speaking, the Front is active. The leadership is trying to reactiviate it so that it may operate in a permanent and absolute manner.

[Question] Is Arab support for Syria regular and has it been resumed by those who had suspended it?

[Answer] I cannot say that Arab support for Syria is regular. Some Arab states have suspended their support and we hope that they will reconsider their decision, for this support is for the sake of confrontation. We hope that this will take place.

[Question] What is the nature of relations between Syria, on the one hand, and Saudi Arabia and the Gulf states on the other?

[Answer] Our relations with Saudi Arabia are excellent. They are based on mutual respect and the agreements concluded between the two countries. The same applies to our relations with the Gulf states.

[Question] It is being said that relations between Syria and Iran have cooled off of late and that Iran is on the verge of breaking economic relations with you. Is this true?

[Answer] Relations between us and Iran are based not on interest but on a strategic vision. We recognize that the Iranian revolution is a great acquisition for the Arabs and the area. This revolution, expelled the Americans and raised the slogan of participation in the liberation of Jerusalem is a great acquisition for the Arabs, more than anything else. Had it been the fate of this revolution--had there not been the current war--to play a direct role in our conflict with the Hebrew state, we would have realized its importance, as well as the importance of the fact that Iran is on our side in this struggle, after having taken the side of Israel during the time of the Shah.

Our relations are not lukewarm in the least and there is absolutely no reason for them to be such.

What of Syrian-Iraqi Relations?

[Question] Is it accurate that your relations with Iraq are beginning to normalize and that a reconciliation between Damascus and Baghdad is possible?

[Answer] There is nothing new to be said in this area.

[Question] What is the situation of the "rejection front," particularly since some of its parties are renewing relations with Egypt. And what is the fate of Syrian-Libyan unification, which was previously proclaimed?

[Answer] The "rejection front" is static and steps have been taken to reactivate it. As far as our union with Libya is concerned, it is being steadily discussed by the Syrian and Libyan commands.

Egypt has Abandoned its Authenticity

[Question] Let us speak of Egypt. If Egypt were to rectify the Camp David Agreements, would this be sufficient for it to rejoin the Arab ranks, even though most of the members of the League have reestablished relations with Cairo one way or another?

[Answer] It is not a question of rectification. The most deadly poison is the one mixed with honey. It is a question of politics. Does the regime in Egypt realize that Camp David and its agreements conflict with the interests of Egypt and the Arab nation or not? That is the question. If yes, let it take the proper steps and it would see then Syria at its side, struggling with it to maintain and protect this orientation.

However, if it considers that Camp David serves Egyptian interests, and the Egyptian people, like us, do not believe this, as confirmed by what is taking place on the banks of the Nile, possibilities of a meeting are nonexistent. We want Egypt and that which existed between Syria and Egypt has not existed between any two other Arab countries. We jointly fought the Tartars and the Mongols, the Crusaders and the Israelis. Relations between the Syrian and Egyptian people are deep, special and emotional.

However, the regime in Egypt has abandoned its authenticity, its Arabic nature and its national line, having followed the Camp David line and signed a peace agreement with the Hebrew state. We support the Egyptian people in the struggle they are waging to return to Egypt its natural position after the failure of Camp David and the peace treaty with Israel.

[Question] Lately, while Peres was in Washington, a joint communique clearly stipulated the proclamation or nonproclamation of a communique by Amman and Tel Aviv announcing the ending the state of war which has lasted since 1942, the establishment of a Jordanian-Palestinian delegation consisting of West Bank and Gaza Strip Palestinians, in anticipation of peace negotiations with Israel, to be preceded by an Israeli withdrawal from occupied territories, while Palestinians from the West Bank and the Gaza Strip would set up a council which would assume autonomous powers.

What do you think of this and what can you say on this subject?

[Answer] These are facts which have been rejected both in terms of their base and their form. There will be no Israeli or American peace in the area. The United States is not entitled to play a peace role, because it is not equidistant from all sides. The United States suppors Israel in the area and that is why American peace is rejected as is Israeli peace, both of them having no chance of succeeding.

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IRAN

RAFSANJANI ON COOPERATION WITH GULF STATES

Tehran ETTELA'AT in Persian 18 Nov 85

[Interview with Hojjat ol-Eslam Hashemi Rafsanjani, date and place not specified]

> [Text] In its 79th issue, the publication AL-'ALAM carried an interview with Hojjat ol-Eslam Hashemi Rafsanjani, which is a straightforward discussion of various issues, including the problems of the Persian Gulf, Islamic economy, Mir Hoseyn Musavi's government, the problems of Lebanon, and so forth. We have translated the interview verbatim, and it appears below.

Hojjat ol-Eslam Hashemi Rafsanjani is Speaker of the Majlis, the Imam's representative on the Supreme Defense Council, and Deputy Chief of the Assembly of Experts when this assembly discusses the matter of successor to the chief theologian. A number of people consider him the number one politician after Imam Khomeyni. Some consider him the man of balances and the fulcrum of the various factions and internal processes in Iran's political and religious affairs. Others regard him as a moderate because of his positions. Hojjat ol-Eslam Hashemi Rafsanjani was the first person to write and translate on the subject of Palestine, and he was imprisoned for writing a famous book on this basic Islamic issue. He is a man of prisons, constituencies, and action, because he has gone from one city to another, from one party circle to another, and from one constituency to another, without becoming associated with any one constituency or group. Because of this very volatility, he was attacked several times soon after the triumph of the revolution. AL-'ALAM visited Hojjat ol-Eslam Rafsanjani, and he spoke extensively and clearly about various issues, and the interview is presented below.

[Question] Hojjat ol-Eslam Hashemi, as Imam Khomeyni's representative on the Supreme Defense Council, what is your analysis of Iraq's recent attention to the Persian Gulf? What is the extent of the damage caused by Iraq's air attacks on Iran's oil exports? Will this lead to the closure of the Strait of Hormoz, and what are the effects of this matter on conditions in the area?

[Answer] In the name of God, the Merciful, the Compassionate. I have discussed this matter previously in Friday prayer sermons and elsewhere, and here I will emphasize what I have said. The aim of the recent activity and for causing the new disturbances is actually to further the cause of saving Saddam. They think if they weaken us economically, we will not be able to continue the war. It is clear that since under natural circumstances we rely on oil, they are trying to cut off our oil exports. When we look at the weapons and the propaganda they employ as well as the positions taken by some of the countries in the area, we conclude that Iraq is not doing this alone. There are numerous programs upon which they have reached agreement behind the scenes. Iraq's role and mission in them has been specified, and it is now merely carrying out orders. Naturally, the Ba'thist party is pursuing a course to strengthen and save itself, but it is not alone in this, and others are also taking part. As for the extent to which this is affecting our oil exports, it may stop oil exports for a day or two, or at most cut down the quantity in some cases, but we do not think this will completely cut off oil exports for several reasons.

First, we have numerous resources and ready methods with which we can export oil from this very Khark Island, and many of them are not in any danger.

Second, within Khark Island, in addition to the defense facilities, we have numerous ways to export oil, and in view of the great vastness of the island, it is unlikely that the export of oil would be completely cut off.

Third, we can extend the oil terminals from the oil fields and storage areas to the eastern part of the Persian Gulf; we can even extend these pipelines to the Strait of Hormoz and that part of the Sea of Oman. Of course it would take time to do this, but to distance oil export operations from the danger zone and to get them out of range of aggressor aircraft would not take much time. We are doing this very thing now. We can say that even if this bombing continues, it will not cut off the export of our oil. A closure of the Strait of Hormoz is therefore unlikely at present. We said that if we cannot use the Persian Gulf, we will close it to others, but we will not close it if we can make partial or full use of it. If at times we feel that our use of the Persian Gulf has been limited in some way, we will restrict the use of the Strait of Hormoz to the same extent. We must say that our policy concerning the security of the Persian Gulf and the Strait of Hormoz actually has a direct relationship to the extent of our use of them. Our logic is firmly based on the idea that as long as Iraq uses the Persian Gulf indirectly through other countries such as Kuwait and Saudi Arabia, who give them financial, logistical, and propaganda assistance, if we are to be deprived of its use, the just answer would be for Iraq to be deprived of its use by us, and this would not be easy without depriving those who help Iraq. We are now aware of the assistance these countries are giving to Iraq, but as long as we ourselves have use of the Persian Gulf, we will overlook their use of it. As you see, we try to make things difficult for them to the same extent that they make them difficult for us. For example, in the inspection and detainment of oil tankers and the like, we have done these things to the same extent that the other side has done them to us. If it reaches a point, however, where our assistance channel is cut off completely, we will also cut off their assistance channel. There are of course those who say that Iran could not recover from this, but this is just like the analyses that say we cannot continue the war. These people reach the conclusion that the export of oil will be cut off, and that Iran cannot give a decisive answer to the area. We believe that these calculations have arisen out of unfamiliarity and improper assessment of our power, and they are like the mistaken calculations with which they began the war. We have calculated such days, and we knew that we were determined to continue the war to final victory, and we will not stop until we recover the losses we have suffered and tried the aggressor according to Islamic law. We have therefore anticipated such an important stage and prepared ourselves for the day when we would have to live completely without oil, and we have also made plans for that day. This plan, under which the life of our nation would continue using non-petroleum natural resources, will be announced to the people. Of course this plan exists for the sake of our peace of mind, and will be implemented as needed. For example, much of our manpower which is now employed in economic and industrial areas, could at that time be temporarily called to military service. Likewise, much of our industry which is now used for public welfare would be brought into our military programs. All of us together, with the powerful and extensive resources we have, will enter into a people's war supported by millions of people trained and mobilized for sacrifice and effort. It is natural that we will enter into a comprehensive people's war. Naturally, every stage has its special weapons, and if need be the world will see us bring forth weapons that were not in their calculations, just as it occurred several months ago in the war of rockets. It is natural that at that time we will advance the war at full speed in our own interest, and of course in the long run it will bear good results, even though it will carry a relatively high price for our economy. In my view that stage will bring greater success and more victory for us. As much as we try to prevent such conditions from arising, if they do arise, we will meet them. With regard to the passage of ships and the waters of the Persian Gulf, we have prepared contingency plans that will allow us to control the waters and deprive them of the sea completely.

[Question] Is it true that Iran plans its relationships with area countries, especially the Arab countries of the (Persian) Gulf, based on their positions on the war? If this is true, then when will the good relations you want to establish with them take place, and in view of the current crisis, how can you assure the countries of the (Persian) Gulf and persuade them to reciprocate the friendship?

[Answer] Our policy is actually based on cooperation with these countries. Clearly, the countries in the southern part of the Gulf, because of their nature, cannot be enemies or try to impose their point of view on other countries. As it is, these countries want only to survive and maintain their existence without trouble. In this regard we are prepared to cooperate with them, but our foreign policy is always being distorted and maligned by the policies of the imperialists. These powers have brought these countries into the war, and clearly the support and involvement of these countries in the war will not go unanswered, but despite this, we have not yet lost our composure.

We have approached them tolerantly, overlooking their slips, confining ourselves to advice, warnings, and threats, without giving them a serious answer. We are still using this approach, and in this regard we believe that they are afraid of Saddam in a way because in the past they have been exposed to threats and danger from him. Since their thinking is still dominated by the spirit of dependence and fear of world imperialism, they are therefore unable to see the future of the war and to imagine the possibility of victory for an independent country in the face of the imperialists in the region.

Thinking in this way, they still believe that since Saddam is dependent, he can remain in power and the future of the Islamic republic is weakness and helplessness, perhaps even elimination. It is in this context that we see them adding fuel to the fire. We believe that when they reach the point where all hope is gone, they will come to themselves and stop their mischief. Of course at that time we will still deal with them with tolerance and magnanimity, but we believe it is better if they stop doing these things, because it is possible that the avenue of return could be blocked. They should therefore leave the avenue of return open. In any case, we want security, welfare, and peace for this Islamic region.

Likewise, we want independence and respect for Islam, as well as good treatment of the Muslim nations of the area, and the provision of higher thought for them. At that time we will be able to live peacefully with them. On the one hand, with the previous experience they have had with our behavior, they have confidence in us, because they know that if we wanted to hurt them we would do so without a second thought, but they know we have not done so, and we hope not to lose our composure in the future.

[Question] You personally have a special and historic relationship with the issue of Palestine and the Palestinians. Is it true that this special relationship is the reason for the Islamic government's continued relationship with the PLO, despite the many disagreements that exist, and why doesn't Iran negotiate with the leadership of this organization in order to resolve these differences and establish lines of cooperation in the interest of Palestine?

[Answer] Concerning the issue of Palestine and the PLO, I want to say that yes, the issue of Palestine has had a special importance for me personally since I went into the areas of politics and struggle. It even became a focal point for struggle. I still take such a position, when the presence of Israel is a very dangerous matter in the area. As long as Palestine is occupied and is in this condition, clearly it will remain in a state of weakened identity and the feeling of incompleteness will remain. It is the natural and definite right of the Palestinians to remain in their own land. Those who wish to live with this nation must get permission from the Palestinians and obtain their satisfaction in order to be able to continue living this way. This can be done if the Palestinian nation agrees to it. On the other hand, I believe that the Palestine Liberation Organization formerly had a prominent role in the struggle and that it played a good historical part in the region's struggle which cannot be overlooked or ignored. Their struggle, which began more than 15 years ago, and their active presence on the scene is a lesson which has always been an inspiration to the struggles of the region. There are still many excellent cadres in the ranks of this organization. I am not in favor of a purge of this organization, but I see it as a necessity that efforts be made to stop its current deviation. I believe there is a basic mistake which appeared in the last two or three years among Palestinian officials, and that is that they despaired due to superficial calculations concerning the idea of obtaining their rights through war and serious armed struggle, and began betting on a path of compromise. They imagine that their rights, or some of them, can be obtained through some of the Arab countries. Evidently these leaders are unaware of what can be expected of the people they are betting on, because a simple superficial assessment gives the conclusion that this bet will bring no result. In any case, it is evident that these leaders—just as a high Algerian official said—are saying that we have been through five wars without gaining our rights, so let's try opening the "door" to peace. That is, they have tried to gain their rights five times with wars, in addition to their long struggle, and today they want an opportunity to try the "door" of peace and compromise. Naturally, this is a very dangerous conclusion, because what a price it will be to pay for these steps, when they lose all the gains of five wars and even all the gains of the struggles and uprisings of martyrs. This is a very great danger, because it amounts to a declaration of defeat for the entire past.

As for the question of why we don't take steps to return them to the right road, we must say first that we are making such efforts. On problem we have, however, is that we are involved in a war, and these people especially have not remained neutral in this matter. Most of them are going to Iraq with expressions of friendship. Mr Arafat and his friends have actually been coming and going in Iran since the beginning of the war, while most of their support has benefitted the Ba'th Party. They called for a cease fire at the beginning. It is clear how dangerous such a proposal was for us when Iraq was still on our soil. Their proposals after that, which we think were essentially aimed at getting the Ba'th Party out of a tight spot, continued in the same vein and were repeated, and their remarks must be added to this discussion.

In general you can see that they are compromising behind the lines, and even now they are rotating between Iraq, Jordan, and Egypt, with abundant collaboration now being done in those circles. It is therefore not an easy thing for us to correct things with them from our side. It is actually they who need to reform. They must completely change their positions. They must leave these circles, adopt an uncompromising position on the Palestine issue, cut their relations with reactionary Arabs, and cooperate with the steadfast Arab countries more than other countries. Of course we are not saying that they must become enemies with the majority of the Arab world, which is now pursuing a path of compromise, and cut off their relations with them, but we think these countries are obligated to help them. Today none of these Arab governments have the courage to boycott Palestine, and all of them are obligated to help Palestine in some way. It would be appropriate, however, if the PLO's relations with the steadfastness front were sincerer and warmer, and they must also adopt a specific position concerning the question of the Iran-Iraq war which is similar to the one held by Libya and Syria. Otherwise, the situation will be difficult. The question of war is a primary one for us. We cannot accept it if someone aligns himself with Saddam in this war while we have a friendly position with them elsewhere. Such a situation is very difficult. This has been discussed with them, and we have heard some of their analyses and interpretations, but we still don't have confidence in what they say about the road they have taken; in the event that they are really serious and have actually taken this road, for our part we are fully prepared to reach an understanding with them and to turn a new page. In any case we wish no ill on those PLO leaders with track records of struggle known to us. We simply believe that they have chosen the wrong path. I personally do not think their intentions are treasonous. I think they have taken a path that is wrong as the result of great pressure and suffering, and they think that by talking and receiving official recognition from America they will be able to resolve the Palestine issue. We say that if they really accept their former positions and analyses to the effect that America considers Israel its dependent state and that America's vital interests have to do with Israel's existence, then we cannot believe that Reagan or Kissinger's smile can so easily resolve the Palestine issue. Such a compromise would absolutely benefit the Americans more than the Palestinians. Just as we saw with Egypt's position five or six years ago, what did Egypt gain except a few bits of residue as so-called American aid? Where are Egypt's interests? Of what use has it been, and what problems have been solved by this aid?

In the end Egypt will be obliged to extricate itself (from this situation). The Egyptian nation will arise one day and carry out its serious role of struggle against America and Israel. This aid and other chains and shackles they have thrown around the necks of the Egyptians, as well as this dependence will weaken Egypt in the broad confrontation. We therefore say that Egypt has been hurt in general by deviating from its path and changing its course. The Egyptian nation will not always accept this situation, and the Arab and Muslim world will soon join hands with Egypt to decisively resolve the Palestine question, of course with a slight delay due to the damage done to the current course of the Palestine question as the result of this deviation.

[Question] It is said that your position as Majlis Speaker will play a special role in the economy and the future of the country's economic system. Everyone is asking, however, where this issue stands, whether with respect to the Majlis or with respect to establishing it in society, and where other disputed issues now stand, such as issues of foreign trade and land.

[Answer] I must say first of all that concerning my special role it is not as you say. My role is not without effect, but neither is it the deciding role, because the Majlis, the Council of Guardians, the government, the presidency, and other important centers such as the Supreme Judicial Council and others can all work together. Even now we have begun to reconstruct the economy and we have taken effective steps with positive results in this. Clearly, however, we have not achieved all of our aims. There are various viewpoints among the Muslim clergymen of our country concerning the economy, and this slows our work somewhat. If we consider the open and free atmosphere prevailing over the system of religious sciences, we see that despite the natural environment and the lack of restrictions on such studies, various viewpoints clearly do emerge, and, in view of our religiously lawful obligations, we must accept the situation, but ultimately these differences of opinion will be resolved one day and there is a way to do so. For example, the Council of Guardians has the right, concerning basic economic issues, to issue vetoes. With regard to the bills you asked about, as you can see yourself the Majlis has enacted them and they have remained before the Council of Guardians until now. Such disagreements exist throughout the world and in all governments. Clearly, such differences will also arise among us, despite our various religious authorities and our understanding of Islam.

In general it must be said that throughout the history of the Muslim world, wherever there have been religious authorities, there have also been differences of this type, and it has been possible to untangle them with some adjustment despite the slowness of the process, but the solution needs deliberation and depth. Ultimately, through the use of experience, discussion, and the exchange of views, these affairs will reach a desirable conclusion. Since there is good will among the responsible clergymen of the Islamic republic, and since differences of opinion are certainly not the result of bad intentions, one can be hopeful that these affairs will improve in the future. For example, matters such as foreign trade, land, and other such issues need discussion, study, and a bit of experience, since the issues are partially "subject matter" rather than law. We must decide which path to take to achieve the proper objective, and what practical results will be achieved through the adoption of each possible path, because the commandments of Islam and its totality can be studied. Some differences of opinion come from "subject matter," others based on derivations from law. It may be said, however, that our general concern is for achieving and implementing the commandments of Islam, and day by day there will be improvements over the past situation.

[Question] In your view, will the question of the selection of the prime minister be resolved in the course of resolving other disputed issues, and, if not, then how do you analyze the connection between this issue and the severe differences of opinion that exist, whether in the Majlis or in other political centers? Finally, what is your assessment of Mir Hoseyn Musavi's government, and what candidate do you support for the position of prime minister?

[Answer] Praise God, the issue of the selection of the prime minister has been resolved. A decision was taken before the question reached the Majlis, and it is currently being presented to the Majlis (this interview was done before Musavi's government was confirmed by the Majlis). A believe a majority of the Majlis favors confirmation of this selection, especially since the Imam has announced his position. Although the Majlis and the Presidency have been left free by the Imam in the selections, they do not wish to take positions contrary to his, because we have long believed in submission to the Imam, and this submission has always been useful to us. We believe that his views have always been the key to lighting the way and resolving our differences. Concerning Engineer Musavi's government, we have said in the past that his government, in the conditions we have had, has been a good and successful one. Especially if we take the war into consideration and the positions of the enemies of Islam against us, it may be said that the government's work has been good and acceptable. The government has made great efforts in the face of difficulties, and no one can say that if so-and-so had been president or if such-and-such a plan had been implemented the situation would be any better now. This may or may not be true. In any case, in view of what has been and what we have been able to do we are satisfied, and our general assessment is good. Under current circumstances I know of no one other than Mir Hoseyn Musavi with the appropriate qualifications. Current social conditions do not permit a change of prime ministers, because we are at war, and a change in government would inevitably have an effect on us in a period of transition, perhaps even creating problems for us, and such a thing is not permissible at this point. The powers of the current prime minister and his administrative and executive government are clear to us, and its virtue is its awareness and mastery of the country's various problems. Concerning others, however, whose names have been or will be put forward, although we do not have a bad opinion of them, in the end they must be tested, and since we are at war and are in a period when there are many plots afoot against us, to which I referred in my answer to the first question, the issue is clear. Now is therefore not a time for testing and experimentation. The Imam's view that it is not advisable to change the government now is perfect logic, and I have no other thought.

[Question] Today's world has seen many changes with regard to the existing equations in the Arab and Islamic region including Iran, and it appears that countries such as the Soviet Union, Western Europe in general, and finally France will change their positions concerning you. What, in your view, has prompted this change of position, where have these changes gone in practice, and what effects will they have on the area's future equations?

[Answer] You are saying that it is likely that the large countries will revise their positions concerning the Islamic republic. I say that there are references to this, but it is still too early to judge. Based on their superficial comments, it can be said that they have concluded that their former assessments were wrong, because until recently they thought that the Islamic republic would not be able to endure with its current government, and that it would fall in the face of society's economic, military, and cultural difficulties. They were preparing to install a successor government of their own choosing, and naturally to this end they tried to bring down the reigning government as quickly as possible. For this task each of them had its own methods and tools, but the brave and powerful struggle our nation put up against the world must have persuaded them, or at least given them doubts, that their former equations were wrong. I consider it more likely that they are in a state of doubt and hesitation concerning their former assessments and conclusions, and naturally the reason for such a point of view is the failure to understand Islamic society, Islamic power, and the power of this republic. Moreover, since they are unable to assess the extent of the influence of Islam, their equations have always come out wrong. On the other hand, when the Islamic revolution gained strength, they lost their tools, their spies, and their lackeys within the country, and their organization was destroyed. This is why they lost the ability to make precise assessments and think correctly. It is on this basis that we now say they are at least in a state of doubt and hesitation concerning what they are doing. If we were to say, however, that they have gained a new perception, or that they have reached a new conclusion, we would then act more seriously. It has not yet become clear to me, however, that they have reached new conclusions, or that they want to resign themselves to current conditions. To whatever extent it can be said that, in view of the doubt and hesitation they have concerning their former assessments, they have begun to open a new way for the future, it is my view that the sooner they perceive these things the more will be the damage done to the world and the area. When they realize the truth and understand that the Islamic republic is a stable force and that they must view Islam as a force in the world, then the current division of the world into two poles will end and the world will open accounts for a third power, because this power will be different and distinct from some uncommitted faction or other, which has no guarantee of survival, has always been threatened by the great powers, and has failed to fulfill its role. This third faction, which has risen independently with popular Islamic force, relies on an Islamic world view, and revolves around the Islamic republic, is at work in this world today with full force. It is natural that this matter has become very costly burden for both the superpowers of East and West, because they see before them a real, combative, and stable force, and this new force has called their legality into question. The world views these superpowers with enmity, for they are lacking any kind of proper world view. The superpowers have tasted this power, and they may have no choice but to submit to reality, but in any case their withdrawal will not be so easy.

I believe that we must be prepared to protect ourselves for a long time, and even if we take firmer steps, there will be a new period before us, and we will create positions using our world view.

[Question] For the final question I will ask you for your views on conditions in Lebanon. What do you see for the future there, and what is your view concerning the constant conflicts between the leftist and nationalist parties on the one hand, and the Islamic forces and events on the other?

[Answer] I am somewhat worried about Lebanon, because it suffers with many difficulties. It is because of the hopes the superpowers have for this country that they will not give it up easily, and secondly, it is because of its proximity to Israel that it has always been a dangerous place. Third, it is due to the existence of numerous party groups within Lebanon that these groups have numerous world views, procedures, affiliations, and various and conflicting relationships with one another, especially since most of these groups have paramilitary forces and pursue their own interests and those of their allies. The Lebanese question is a complex one, and it is natural that it be a complex question for the Lebanese themselves, for the world, for the superpowers, and for Israel. In general Lebanon has become an arena for fighting among the world's various powers, which carries suffering on its shoulders, and due to the lack of security and the long-term war, one cannot hope for the establishment of peace and the general improvement of conditions there. On the other hand, there is also a positive point in which hope can be placed, and this is the Muslim majority in Lebanon, which has now become aware and politically knowledgeable. This bright spot contains the good news that if the majority of the existing factions realize that they must rule, they will then have good security, because government will go to the majority, that is to the Muslim nation that is striving to establish an aware Lebanon, which contains in it the beginnings of a free Lebanon. At that time one can expect a new life for the people in that country.

In my view, there is no way to save Lebanon except by relying on the majority, because a return to the former divisions with posts divided among Christians, Sunnis, and Shi'ites is not acceptable now. One cannot return to it. It is not beneficial, the people do not accept it, and it cannot be implemented. The Christians, who formerly held the reigns of government, are now a minority. It is natural that since they once held power, they will not now submit easily to a Muslim government. This is one of the factors for the continued crisis in Lebanon. The leftists in Lebanon can act in concert with the Muslims, and this goes back to the slogans they usually use, because Islam came to protect the deprived, and this Islamic characteristic must be applied, especially in Lebanon. If the Muslims of that organization give priority to this characteristic, which defends the tormented and the deprived, and prevent the deviation which portrays Islam as the defender and spokesman for capitalism, the weapon of the leftists will be automatically taken away from them, they will be left empty-handed, and the slogans they chant among the people will be empty and ineffective. As for those who look to Marxism as a world view, or those who prefer political affiliation, they will not completely disappear from Lebanon, and for a nation that wants justice, the Muslims will procure that justice. Therefore it may be said that the possibility exists for a joint line coming into existence between Muslims and those who chant leftist slogans in Lebanon, and this is precisely what happened in Iran. Leftist parties have no effect today in Iran, and a nation that was once deluded by the lying slogans of leftists and followed them, has today concluded that it can attain those vital goals by clinging to Islam and preserving religion and the hereafter. This is how those parties were eliminated, and this is practical in Lebanon as well. What is left is the difficulty of living with Christians, and those are matters whose interests are related to the outside world. This problem will remain, but if a strong popular government is established in Lebanon, and is protected by progressive, advancing, and independent forces, the problem of Lebanon—however difficult—will be solved.

9310
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OPPOSITION PAPER COMMENTS ON SOVIET-GULF RELATIONS

GF221144 London KEYHAN in Persian 12 Dec 85 p 4

/Excerpts/ It is no wonder that the UAE established diplomatic relations with the Soviet Union on 14 November; about 7 weeks earlier everybody was surprised when Oman, the staunch anticommunist regime in the region, announced that, after a lapse of 15 years, it was ready to normalize its relations with the Soviet Union. The UAE had been willing for a long time to establish relations with the Soviet Union but was afraid this might upset the Saudi regime. Previously, only Kuwait among the Persian Gulf emirates had established relations with the Soviet Union, and this was despite Saudi displeasure. This bold political decision by the UAE does not bother the capitalist elements. Dubai commercial circles are happy to see any relationship which may be good for trade, especially at a time when they are suffering from economic stagnancy. However, in comparison to the decision by the UAE, the announcement by Oman, after 2 years of quiet talks under the patronage of the United Nations, surprised everybody; even the United States, which considered this country the most reliable ally in the Persian Gulf, had not received any prior information about this move. The Americans were not happy over their talks relating to the renewal of the 1980 treaty with Oman. They wanted service facilities for their warships in the Indian Ocean and the right to maintain bases for their RDF in exchange for military and economic aid to Oman. But the Omanis gave a negative response, with only some very routine changes being made to the 1980 treaty.

For the present, the Soviet Union will not open an embassy in Muscat, but in any case the obstacle in this respect has been removed. Bahrain will take steps soon to set up diplomatic relations with the Soviet Union, followed by Saudi Arabia and Qatar. But when? Most of the Persian Gulf countries see the Soviets bogged down in a quagmire in Afghanistan and, therefore, they do not fear Soviet influence in the Persian Gulf for the next 10 years.

/12228
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IRAN

EXERCISES ORGANIZED TO COPE WITH 'COUP, PUBLIC RIOTS'

London KEYHAN in Persian 12 Dec 85 p 2

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Tehran--KEYHAN Political Service--More than 30,000 revolutionary guardsmen and komite members, along with 15,000 mobilization security forces, carried out a series of military exercises in 34 major cities and provincial centers--including Tehran--in the project to cope with a military coup d'etat or public uprising.

These exercises were carried out on the fifth day of Mobilization Week at the beginning of last week.

According to reports received from Tehran, in the exercises to cope with extraordinary situations, which were planned by North Korean military experts some time ago under the code name Khandaq, none of Iran's military or police forces failed to participate, and Seyyed 'Ali Khamene'i, President of the Republic, personally witnessed part of the these exercises in Tehran. The mosques in Tehran and the municipalities, as guidance centers for these operations, were responsible for the task of dividing ammunition and responsibilities among mobilization and revolutionary guard personnel.

The exercises began at 8 a.m. and continued until midnight.

The most important part of the revolutionary guard and mobilization training exercises was carried out in Tehran. Mohammad Sham'khani, acting commander of the revolutionary guard, directed the operations personally.

At 8 a.m., after the order to begin the operations was given by Seyyed 'Ali Khamene'i--who supervised the exercises from the Baghshah Base command post--when ammunition was at the radio and television stations, telephone centers, the water and electric power stations, Tehran Silos, the Majlis, the police magistrates, the komites, the railroads, and Tehran airport--the operations were begun by the strike units.

Since these operations had not been previously announced, the coming and going of hundreds of armored and motorized vehicles and the passing of revolutionary guardsmen on motorcycles in full battle dress through the streets frightened many Tehran residents.

In explaining these operations, the ISLAMIC REPUBLIC NEWS AGENCY announced that the forces participating in these exercises had been divided into motorized units, ambulance units, fire-fighting units, and strike units, and each unit was able to fulfill its responsibility immediately after the operations began without delay.

Revolutionary guard units conducted war games from bunker to bunker in the streets, some of them acting as insurgents and others as defenders. It is interesting that in the course of the Khandaq exercises, personnel and units were selected who would not have any kind of affiliation with the area to which they were deployed.

Thus, for example for the first plan, which included the occupation of sensitive urban areas and the installation of weapons, Azarbaijani units were deployed in Mashhad and Tehran, while units from Khorasan were deployed in Tabriz and Sanandaj. The second phase of the exercises, which the regime claimed was to cope with a possible assault on the capital by a foreign enemy, was carried out only in Tehran. In this part of the exercises revolutionary guardsmen and mobilization personnel closed all roads and streets leading to the capital and took up defensive positions before government buildings, installing sand bag bunkers and anti-aircraft artillery.

Some units, acting as commandos, were given the task of penetrating imaginary enemy lines and striking at enemy forces.

Informed sources in Tehran said that the show of revolutionary guard and mobilization force in the Khandaq exercises was mainly carried out because in the last two weeks, since the selection of Montazeri as Khomeyni's successor, the many rumors have intensified of an impending revolutionary guard coup d'etat against one of the wings in power--Khamene'i's--in the event of Khomeyni's death. Khamene'i's presence at these exercises has been interpreted as a show of presidential power against the Rafsanjani wing.

Although Western military sources consider a military coup d'etat in Iran a remote possibility at present, diplomats in Tehran say that the Islamic Republic is very frightened of a public uprising and street demonstrations, and by baring its fangs on the fifth day of Mobilization Week, it was trying to forestall such an uprising.

9310
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IRAN

RELATIONS WITH FRANCE SAID TO BE DETERIORATING

London KEYHAN in Persian 12 Dec 85 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Although Majlis speaker 'Ali Akbar Hashemi Rafsanjani announced last week that a French parliamentary delegation headed by Jean Marie Daier will come to Tehran next week, Mir Hoseyn Musavi said at the conclusion of a meeting of the Council of Ministers that the Islamic republic had not invited this group and that it will not receive them.

According to informed sources in Paris, the French delegation had planned to discuss Iranian-French relations, the possibility of a French agreement to sell Krutal rockets to the the Islamic republic, and the future of the Ayatollah's opponents in this country, with officials of the Islamic republic. According to statements from these sources a group of French officials, including Minister of External Relations Roland Dumas, believe that France's relations with Iran must be revised in some form, and that the Iranian market must be somehow regained.

The Kuwaiti newspaper AL-QABAS reported in its 5 December issue that in order to show its good will, Paris, concerning the activities of the Ayatollah's opponents in France in the last two or three months, has promised many restrictions on Mas'ud Rajavi and the Mojahedin. This newspaper, quoting French sources, wrote that one month ago Mas'ud Rajavi asked the French government to allow him to convert a large building in Paris purchased by Mojahedin supporters to a residential center for those with asylum who are affiliated with this organization. This request was concurrent with the receipt of complaints to the French government from the Islamic republic concerning a packet bomb sent from Paris to Hojjat ol-Eslam Khosrowshahi, the Islamic republic's ambassador to the Vatican. The Islamic republic claimed that this bomb was sent to Rome by the Mojahedin.

To this point it appears that circumstances are favorable for a trip by the French delegation to Tehran, but French sources say that the publication of news on the matters the French delegation intends to discuss with officials of the Islamic Republic spoiled things.

It became apparent that the French officials intended to discuss with Islamic republic officials the four French hostages which were taken by supporters of the Islamic republic in Lebanon. This implies that France officially holds the Islamic republic responsible for the hostage-taking. Ayatollah Khomeyni's regime, which was, in the words of Ayatollah Khomeyni, "deceived" on a similar occasion last week, was not interested in discussing hostages.

Two weeks ago, when Terry Waite, the Anglican Archbishop's representative, began his mission to free four American hostages, Kuwaiti officials apparently looked favorably upon the terrorist demand to free 17 al-Da'wa party prisoners in Kuwait.

Kuwait's aim was to establish the Islamic republic's responsibility in both the Lebanon hostage-taking and the "bombings and sabotage" in Kuwait.

The Islamic republic was not aware of this intention. For this reason Terry Waite visited the Hezbollah leaders holding the hostages through the Charge d'Affaires of the Embassy of the Islamic republic, and with thanks to Mahmud Nurani, the Islamic republic's Charge d'Affaires in Beirut, he went to Paris and Washington to talk with American and Kuwaiti officials.

At this point Kuwait announced that it was not ready to release the imprisoned terrorists.

Initially Mrs Kaufmann, wife of Jean Paul Kaufmann, the French newspaper reporter taken hostage, sent a letter to Ayatollah Khomeyni asking him to use his influence to free her husband. In an interview with Paris radio, Mrs Kaufmann announced that the Iranian Charge d'Affaires promised her in a meeting they had that the Islamic republic would help free her husband.

French sources said that several days after the publication of Mrs Kaufmann's remarks, Hoseyn Mo'iri, Charge d'Affaires at the embassy of the Islamic republic, who had, in his meeting with Mrs Kaufmann, unofficially acknowledged the Islamic republic's responsibility in the fate of the hostages, was recalled to Tehran.

At the end of last week, Jean Marie Daier, French parliamentary representative of the VDF party, whose leader is former president Giscard d'Estaing, announced that he is awaiting a final answer from Tehran concerning the visit.

Daier is the supervisor of the Aulurus Institute. This institute invests in various countries, and Mr Daier was planning to discuss the possibility of investment in the Islamic republic during his trip to Tehran, accompanied by Lavique Buvar, Francine Geng, and Emanuel Hamel, all representatives of right-wing parties. He expressed the hope that the Islamic republic would ultimately allow him to visit Tehran.

9310
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IRAN

DUBAYY BLASTED FOR EXTRADITION OF PILOTS SEEKING ASYLUM

London KEYHAN in Persian 12 Dec 85 p 6

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Last Wednesday the Sheykhdom of Dubayy extradited two Iranian pilots in handcuffs, who had sought refuge in that country, to the Islamic republic.

One day later the newspapers of the United Arab Emirates, of which Dubayy is a member, announced that the pilots were executed by the revolutionary guards of the Islamic Republic. Whether the news of the execution of these pilots is correct, or whether they were imprisoned, is irrelevant to this incident, which was a betrayal of the most elementary humanitarian principles. This is especially true if we recall that this Sheikhdom on two other occasions turned over a number of Iran's best naval and air force officers to Tehran. If there is doubt and hesitation today concerning the news of the execution of the two pilots, for the previous incidents the names and the news of the execution of nine naval and air force officers have been published several times.

In a statement published on the extradition of the two Iranian pilots, the crown prince of Dubayy claimed that the measure was taken solely to prevent air piracy in the future. In a political statement expressing its appreciation for Dubayy's action, the Islamic republic said: In doing this, the Emirate of Dubayy has shown respect for international laws and regulations, and has not submitted to the blackmail of air terrorists.

Of course, in the first place it is important to study the claims of Dubayy and the Islamic republic concerning the acts of the Iranian pilots. Were two pilots--who were responsible for piloting the aircraft--actually air pirates? Did they change the course of a non-military flight with the force of arms? Did they endanger anyone's life or make illegal demands of the Dubayy officials? All the two Iranian pilots asked of an Emirate which owes its existence to the former Iranian regime was temporary asylum so that they could obtain authorization to go elsewhere in the world and save themselves from Khomeyni's prison.

These two pilots did not want to go to Dubayy. Dubayy is no paradise, and the petrodollars of the oil sheikhs held no appeal for the Iranian pilots.

There is no doubt that distress and desperation drove the two Iranian pilots to face hundreds of mortal dangers and fly to that end of the Gulf, thinking that the inhabitants of that land had retained their humanitarian ethics and spirit of hospitality, and that they still adhered to the customs of their forefathers--who even generously received their enemies when they sought shelter in their tents. They flew to an Emirate whose ruler has receoved security from Iran for years, and, thanks to the Iranian army's protection of security in the Persian Gulf, has been able to stand against his competitors in the United Arab Emirates and to gain the position of deputy to the supreme leader, Sheikh Zayid.

The two Iranian pilots had evidently forgotten that since the beginning of the revolution when the Emirate of Dubayy was host to Ayatollah Khalkhali and when their religious magistrate called Ayatollah Khomeyni "Imam Khalkhali," it has lost its head over the Islamic Republic, and to please the Ayatollah the oil sheikhs of this Emirate are even prepared to stoop to brokering arms to the Islamic republic.

The two Iranian pilots naively thought that Dubayy would not bite the hand that has fed it, although on the day after Khomeyni came to power, a letter of congratulations from the Sheikh of Dubayy--calling Khomeini the leader of Muslims--gave sufficient evidence of Dubayy's ingratitude.

In doing this, in addition to disregarding the most basic humanitarian principles, Dubayy has shown its submission to the Ayatollah, perhaps hoping to gain immunity from the sting of an Islamic revolution in the future. Yet the Ayatollah has demonstrated that such tribute will not cause him to abandon his far-reaching ideas. Such behavior can only undermine the credibility of this sheikhdom because of its unstable authority.

On the other hand, we must note that while the Islamic republic praised Dubayy's measure as one demonstrating respect for international law, it must not be imagined that the Dubayy government actually did this to observe international laws and regulations.

When has the Islamic republic respected these laws, that it now expects their observance from others?

At a time when all the area's illegal and destructive acts have their roots in Jamaran, talk of international law is heard only in the republic of ayatollahs and possibly the Emirate of Dubayy.

9310
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IRAN

BRIEFS

RESIDENT IRAQIS CALLED TO FRONTS--Tehran--The Islamic Republic regime has asked all Iraqi residents in Iran to prepare to proceed to the battlefronts. In a notice published by the Islamic Republic, it was stressed that all Iraqi residents of Iran should report to the Islamic Republic authorities or to the Supreme Council of the Islamic Revolution in Iraq during 12-21 December. According to informed sources, those Iraqis who refuse to go to the battlefronts will be expelled from Iran. /Text/ /London KEYHAN in Persian 19 Dec 85 GF/ 12228

CSO: 4640/126

U.S. AID PROSPECTS, SECURITY CONCERNS VIEWED

Islamabad THE MUSLIM in English 10 & 11 Dec 85

/Articles by Jamal Rasheed: "New American Aid Package -- 'Part I: Facing up to Congress'; and 'Part II: Conditions for U.S. Aid'"/

/10 Dec 85 p 4/

/Text/ In October, Finance Minister Dr Mahbubul Haq formally announced, what in Islamabad's diplomatic circles was already well known for six months, that Pakistan would seek a further extension of the 1981, $3.2 billion five year aid package from the US, that expires next year. Pakistan is now requesting $6.5 billion spread over the next five years, out of which half is to be earmarked for military aid. This request is expected to face opposition in Congress as well as create numerous security problems for Pakistan because of the conditions Washington would like to impose on the present regime.

Congress is expected to be initially hostile to the request, because of the lack of trust in Pakistani assurance regarding it's nuclear programme. Reliable diplomatic sources in Islamabad and experts in Washington told this correspondent that the Pakistanis face four strong lobbies.

Pro-Israeli Lobby

The pro-Israeli lobby in Congress is expected to oppose the package, but eventually agree to a year by year aid grant which will be dependent on Islamabad's "good behavious" regarding it's nuclear programme. In a possible trade-off with pro-Israeli Congressmen, the Reagan Administration will most likely agree to hold firm on the present suspension of any sales of sophisticated weaponry for Jordan. The pro-Israeli lobby will also fight hard for increased aid to Israel.

The pro-Indian lobby, which has grown substantially in recent months, will also be antagonistic, especially with the fear that Washington will be supplying sophisticated spy-in-the-sky aircraft to the Pakistani military. The US is, at present, holding up an Indian request for $800 million worth of high technology, which includes three computer systems necessary for rocketry and nuclear programmes.

Reliable sources in Washington said that this lobby would tone down their opposition, if the US was to license them at least one of these computer systems.

A group of right wing Congressmen are expected to "raise hell on the corruption within the CIA, the Afghan Mujahideen and the Pakistani administration regarding the CIA's supply of $250 million worth of arms and money to the Afghan resistance", a highly informed source told this correspondent from Washington. "They will be demanding a much closer involvement by the CIA on future aid to the Afghans. "At the beginning of the year when the Afghan aid package was under debate, prominent Congressmen said that upto 50% of aid so far given to the Afghans had disappeared. This lobby will also be demanding a more prominent role for the CIA in being allowed to directly distribute arms and money to the Mujahideen.

Finally, Pakistan will face the protests of powerful human rights groups during Congressional hearings. The New York based "International lawyers Committee for Human Rights", is updating it's earlier, highly critical report of human rights abuses in Pakistan for a presentation to Congress. Amnesty International, which has condemned the continuing violations of human rights in three separate reports during the past 18 months is also expected to protest further aid until the human rights situation improves. Also a group of concerned Pakistani scholars, journalists and professionals based in the US are expected to campaign vigorously in and out of Congress against increased US aid until the rule of law and full participatory democracy are restored.

Effective Way

Well placed sources in Washington and diplomats in Islamabad predict that Washington will actually offer around $5 billion over five years but there will be no formal treaty, because of the US Congress opposition to multi-year aid commitments. Instead Washington will give a private undertaking to Islamabad that aid will be disbursed, but Pakistan will have to make its pitch for aid every year. Experts in Washington concur that this will also be the most effective way, for Congress to have some measure of control over Pakistan's foreign and domestic policy as well as ensure Pakistan's help in the US "strategic consensus" for the region. "If Pakistan has to come to Washington every year for it's package", said one academic in Washington, "then Congress will make sure that it's past year's record is in line with US policy for the region."

However, government officials in Islamabad point out that Pakistan needs, not only economic and military aid, but even more important are firmer guarantees from Washington that it will come to Pakistan's help if it's security is threatened. Officials say that Pakistan faces potentially hostile powers along most of it's borders. Relations with India, Afghanistan and the Soviet Union are at a low ebb, while the situation in Iran is still unstable. The US has consistently shied away from giving such commitments to Pakistan, even at such high crises points as the Bangladesh war in 1971.

In fact Washington is now in a much stronger position to squeeze Pakistan, than it was in 1981 when the $3.2 billion package was hastily put together because of the Soviet invasion of Afghanistan. Diplomats in Islamabad told this correspondent "that President Zia is no longer the leader who could dismiss President Carter's offer of $300 million aid in 1980 as peanuts". A diplomatic source said that the reasons for Pakistan's weakness vis a vis the US are plentiful. "Both President Zia and US diplomats have stated that the Soviets do not pose a threat to Pakistan's sovereignty, so there is no fear as there was in 1981, of the Soviet wanting to dismember Pakistan. "It appears that the recent Geneva Summit has endorsed this view. Washington's need for a conduit that will give it access to the Afghan border regions to arm the Mujahideen, is no longer in any doubt as it was in 1981. A number of US newspapers and magazines have reported on fact that the CIA is now directly supplying the Mujahideen with the more sophisticated weaponry it needs like ground to air missiles. Finally continuing political and social instability in Pakistan and tense relations with it's neighbours, makes the regime dependent on Washington's good will. President Zia's experimentation with a controlled form of democracy, and the continuing crisis of legitimacy for the regime makes Pakistan especially vulnerable at present. Washington is therefore in a position to extract further conditions from Islamabad before it agrees to a new Aid Package. The intense but secret dialogue between the Reagan Administration and Islamabad regarding the terms and conditions for future aid have been going on for nearly a year.

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/Text/ The intense but secret dialogue between the Reagan Administration and Islamabad regarding Pakistan's request for a new aid package of $6.5 billion has been continuing for nearly a year. Highly placed diplomatic, academic and official sources in Washington, London and Islamabad point out that any future aid commitment by Washington, especially if it is dependent on a yearly assessment of Pakistan's performance from Congress, will depend on the following factors.

Pakistan must desist from testing a nuclear weapon, although Washington is not averse to Pakistan continuing it's nuclear programme. Diplomatic sources say that US officials have strongly told Islamabad that there is no way they can pass an aid package through Congress if Pakistani businessmen continue being arrested for buying nuclear weapons technology in Europe.

Islamabad must continue to improve its relations with India, so that US support for Pakistan does not compromise Washington's new friendly relations with New Delhi. Washington will be much more cautious on what arms it sells to the Pakistani military. It is now highly unlikely that Washington will agree to sell Pakistan sophisticated spy-in-sky radar aircraft because of the adverse impact such a sale would have on Indo-US relations.

That Pakistan should play an even larger role in the US Central Command in the Gulf. (The Central Command, CENTCOM is the new command structure for the former Rapid Deployment Force, which is based in Oman and the island of Diego Garcia. Some 25 US naval ships are present in the Gulf.) The US is pushing hard for a commitment, as recently made by Saudi Arabia and the Gulf would come under the orders of CENTCOM. At present Pakistan is reported to have troops and advisers in 22 countries, largely in the Gulf and East Africa. Moreover it was reported during US Congressional hearings this summer that American P-3 anti-submarine aircraft had been regularly refueling at a Pakistan air force base near Karachi. The US would according to diplomats, clearly like to see more co-operation of this nature. In July Vice Chief of Army Staff, General K.M. Arif payed a week long visit to CENTCOM headquarters in Florida. Admiral Tariq Kamal Khan, Chief of the Naval Staff is at present on a 10 day US trip in which he will visit US naval installations.

Officials in Islamabad point out that it would be extremely difficult for Pakistan to make any official commitments to CENTCOM but they do not rule out the possibility of close co-operation with it.

Lastly the US supports and would like to see an enhancement of, President Zia's slow programme of gradual democratisation, as long as the country's foreign policy is not altered. The Reagan Administration is apprehensive about the demand by some component parties of the MRD for direct talks with Kabul for a settlement on Afghanistan. In the summer the US Ambassador created a storm of criticism, when he publicly said he was "baffled by the thought processes of those opposition MRD leaders who demand direct negotiations with the Karmal regime". However, Washington has scored some success with the Peoples Party. During Benazir Bhutto's visit to Washington earlier this year she assured Deputy Assistant to the Secretary of State, Howard Schaffear, that any future Peoples Party government would fulfill all foreign policy pledges to Washington made by President Zia.

Such terms and conditions which are presently being negotiated between Pakistan and the US, make the future aid package both extremely complicated and controversial. The present regime has already categorically stated that it will not allow US bases on Pakistani territory. However experts in Washington concur that Pakistan may have to concede far more than it did in 1981, because of the regime's present vulnerability at home and on the issue of it's nuclear programme. Moreover Washington's expanding ties with India means that it now holds an ever ready card to play if Pakistan acts tough.

Privately some officials in Islamabad express the fear that the new aid package, once secured, will considerably enhance Washington's military role in the region and thus allow it to depend more and more on militaristic solutions to problems in the Gulf and Afghanistan, rather than encourage diplomacy. They point out that part of the political cost of such a policy will have to be paid by Pakistan.

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PAKISTAN

COMMENTARY VIEWS SEMINAR ON SECURITY

Islamabad THE MUSLIM in English 14 Dec 85 p 4

/Article by Abbas Rashid: "The View From Lahore: 'Debate on Pakistan's Security'"/

/Text/ The Seminar on Pakistan's national security perspectives organised by "The Muslim" generated considerable discussion not so much on the merits of specific policy options as on the broad contours of foreign policy. Indeed, given the nature of the enterprise, it ought not to have been otherwise. For as policymakers as well as those who are concerned with the implications of policy voice their considered opinions on issues ranging from "proximity talks" to the "nuclear option" usually on the basis of a priori assumptions there is a need to keep the trees from obscuring the wood.

Dr Mubashar Hassan basing his presentation on "federal and sovereign" a document recently produced by his Independent Planning Commission duly emphasised the need for a careful and sober reassessment regarding provincial autonomy, status of woman and the primacy of representative institutions -- issues which are seldom seen in this country as being relevant to a serious discourse on security.

Identify of Views

There was an identity of views among the participants regarding the nature of Pakistan US relations. The US was described as an unreliable ally which had betrayed us in the past and whose long term strategic interests, in any case, did not lie in a close relationship with Pakistan. Even as the relationship was experiencing one of its periodic "highs" according to Dr Iqbal, Ahmad an independent US based Pakistani scholar, the United States had been busy cultivating a special relationship with India. The volume of their trade over the last five years he said had gone up from less than a billion dollars in 1979 to approximately five billion dollars in 1985. In the long term he emphasised the US wanted India as well as China to be part of the "triangle of containment" (against the USSR). It was not wise he suggested for Pakistan to make enemies of its powerful neighbours in the hope that the US would come to its assistance during a crisis. The US, he asserted, did not contemplate doing any such thing. He challenged any US government official present in the audience to a debate on this point. There were no takers. To the surprise of many even Mian Tufail likened US Pakistan relationship over the years to one that usually exists between an owner and tenant. How the Maulana squared this conclusion with a reaffirmation of our role as a conduit for funneling CIA funds to the Afghan Mujahideen while aligning ourselves with the US position against direct negotiations with Kabul was not quite clear but it did appear to be a major departure from the Jamaat's closely held beliefs.

Asghar Khan, leader of the Tehrik-i Israqlal proposed a 20 years moratorium on debt repayment. It makes very little sense he said for us to get a billion dollars loan so that we can use more than half of it to pay back a previous loan. The only way to break this vicious circle he said was to gain time and develop a system whereby Pakistan could pay back its loans through surplus generated locally. The threat to the federation's unity, he said, came mainly from two sources. First, he said government and rulers in Pakistan have, as a rule, misused Islam employing it as an instrument of exploitation. Thus used it has led to divisiveness and disunity. Second, the lack of genuinely representation institutions he said has contributed to the growth of mutual suspecion among people living in different provinces. Centrifugal tendencies were bound to grow under an authoritarian regime, he argued.

Agha Shahi was critical of India's "adversary approach", particularly with regard to the nuclear issue. Rajiv Gandhi he said had not responded reasonably to any number of proposals put forward by Pakistan in this regard.

He warned against negotiating a concessional aid package with the US, currently on the anvil. It would be disastrous he said for Pakistan's autonomy and freedom to manoeuvre, for there was always a quid pro quo involved in such transactions. He strongly contested the assertion that there was a similar quid pro quo underlying the 3.2 billion US Dollar aid package negotiated doing his tenure as foreign minister. At the time he said Pakistan had firmly resisted pressure for allowing US bases in Pakistan as well as a strategic alignment against the Soviet Union. He seemed to suggest that the regime may now be buckling under the US pressure on both these counts. It is difficult to believe that no concessions were involved on the part of Pakistan in return for the last aid package negotiated with the US but Mr Shahi certainly has a point inasmuch there seems to be little sense in making a dependency relationship worse than it already is. That there are those in the administration who find nothing wrong with such a relationshi was reaffirmed by Dr Mahbubul Haq's gleeful announcement only days after the seminar to the effect that the new concessional aid package had been all but negotiated.

Muslim 'Elan'

Inaugurating the seminar Agha Murtaza Pooya spoke of the nation's "muslim elan" and the grave internal threat to our security arising from the large and growing section of our population which was illiterate, poor and subject to various forms of deprivation. Dr Eqbal Ahmad among others, took up the theme of mobilised peoples not organised armies being the real agents of security. In the modern times, Dr Eqbal said the people not the armies have defended the integrity of a nation under attack. He gave the examples of Algeria, Vietnam, China and Iran. Equally, however, there was a need to insulate ourselves from being used as pawns by the Super-powers in wars that they initiate and sustain in pursuit of their own interests. This regime he said had lost an historic opportunity for putting Pakistan's security, at least in an external context, on an even keel in 1983 when the Russians were willing to withdraw from Afghanistan on certain conditions. At the time he maintained Pakistan could have struck a hard bargain with the Russians securing not only their withdrawal from Afghanistan but also a guarantee for its neutral status. Instead it had chosen to accept the US carrot and stick package--more aid in return for insecure borders.

He added that an historic opportunity of equal magnitude had been lost by the previous regime when it bypassed the chance to strengthen the institutions of civil society and put politics firmly in command at a time when the armed forces were not prone to be assertive, for a number of reasons.

Apart from the issue of Pakistan's internal cohesion and neutrality vis-a-vis super power machinations the question of Pakistan's nuclear option figured as a major concern in the seminar. A number of speakers stressed the need to develop nuclear energy and to keep the option of making an atom bomb open in view of India's lack of response to initiatives made by Pakistan for declaring South Asia a nuclear free zone, mutual renunciation of the use of nuclear weapons or other such arrangements that would preclude either country from going in for nuclear weapons. When placed in the context of India's attitude on the issue, going in for an atom bomb does not seem to be all that unreasonable. However, apart from being an entirely "reactive" choice, the premium being placed on it would suggest the following:

(a) Only those countries which have nuclear weapons are really secure.

(b) That, in the final analysis technology and not people make the difference.

(c) That the major threat to our policy is not the deprivation of our people but the nuclear policies of neighbouring countries.

There is a need, perhaps, to debate at greater length the issue of Pakistan's nuclear option.

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STATE BANK ANNUAL REPORT REVIEWS ECONOMY

Islamabad THE MUSLIM in English 8 Dec 85 pp 1, 8

/Article by Jawaid Bokhari: "GDP up: Decline in Savings, Exchange Reserves--SBP Report Sees 'Mixed Trends' in Economy"/

/Text/ KARACHI, Dec 7--The State Bank of Pakistan has warned that "the country's foreign exchange reserves cannot afford any further reduction and in fact need to be replenished".

In an overall review of the economy for 1984-85 published in its Annual Report and released here today, the State Bank has also emphasized that "urgent need for increasing national savings and reducing our dependence on external borrowing". It noted with concern that debt servicing has become substantial, touching one billion US dollar per annum.

The gross national investment was financed last year by drawing down the country's foreign exchange reserves and greater reliance on external resources.

According to the SBP Report, the economy exhibited "mixed trends" in 1984-1985. There was a sharp rise in Gross Domestic Product, unprecedented increase in agricultural production following previous year's bad harvest, significant rise in real per capita income and improvement in the rate of gross investment.

On the other hand, the performance of the economy was marred by steep decline in national savings, heavy deficit in the budgetary position of the Government, severe pressure on balance of payments position and increased reliance on external borrowings.

The Report points out some "basic weaknesses" of the economy reflected in the large deficit in fiscal operations of the Government, widening gap in balance of payments and social imbalances between investment and savings. It notes that "despite the impressive growth of the economy during the outgoing fiscal year, there has been no improvements in these areas. These problems are inter-related and arise from our efforts to live beyond our means".

Dwelling upon each of the basic constraints on the growth of the national economy, the State Bank Report observed: "If adequate resources cannot be mobilised, Government expenditure, both development and non-development, will have to be curtailed".

The Report says that mobilisation of revenue resources fell short of our total expenditure requirements, including development and defence, with the result that about one third of the expenditure had to be met by external and domestic borrowings last year. Such heavy borrowings results in rapid increase in debt servicing and accentuates fiscal imbalance.

The State Bank called for structural changes in our fiscal policy. Historically, it feels, the basic constraint on fiscal policy has been the extremely low income-elasticity of taxation in Pakistan. The increase in tax revenue has mostly come from new tax measures.

The floatation of Special National Fund Bonds would help widen the tax base by unearthing the black money. So would other fiscal measures announced in the 1985-86 National Budget.

The SBP Report hoped that the National Taxation Reforms Commission will help the Government evolve "a more buoyant taxation system", and added, "evidently hard choices are involved".

The mounting pressure on balance of payments has also been highlighted significantly in the Report. These pressures, which developed in 1983-84, intensified during 1984-85. The current account deficit increased from 997 million US dollar to 1,609 million during the corresponding period owing to a decline in exports of 194 million US dollars and a fall of 375 million in unrequited transfers, largely home remittances.

Despite a larger net inflow of long-term capital, the gold and foreign exchange reserves of the country declined from 2.5 billion US dollars at the end of June 1984 to 1.2 billion at the end of June 1985. The reserves fell owing to heavy current deficit and other external transactions despite a drop of one percent in imports (FOB) over previous year's level. Imports, which accounted for 5.9 billion US dollars in 1984-85, did not go up partly due to increase in domestic production of oil.

Stating that since there was no prospect of an increase in home remittances, the Report suggests that the solution lies in stepping up exports of merchandise. Exports, as a ratio of GDP, declined from 8.9 percent to 7.9 percent despite larger domestic surplus in the domestic economy and better shape of the world economy. What is needed is an indepth analysis of the causes of stagnation of our exports so that a long-range programme for development of exports could be worked out. An all-out effort is also needed for exploration of oil as this is one of the most promising sectors which can substantially compensate for the decline in the workers' remittances from abroad.

Gross national savings fell for the second year in succession.

According to revised estimates, the overall budgetary deficit of the Federal and provincial governments (consolidated) stood at Rs. 38.3 billion, showing an increase of 40.6 percent over the original budget estimates for 1984-85. The deterioration was the combined result of a shortfall in revenue and substantial increase in expenditure, mostly of current nature. Owing to lower tax receipts, revenue declined by 3.7 percent and expenditure increased by 6.7 percent.

Government recourse to borrowing from the banking system amounted to Rs. 18.3 billion against the budget estimates of Rs. 5.8 billion and the actuals of Rs. 7.3 billion for 1983-84.

Increased government borrowing from the banking system caused the domestic credit to expend by Rs. 38.2 billion or 23.9 percent during 1984-85 against an increase of Rs. 20 billion or 14.4 percent in the preceding year. The domestic credit expansion would have been much larger but for a heavy draw down of about Rs. 18.9 billion in foreign exchange.

Thus the foreign exchange reserves bore the brunt of higher budgetary deficit financing and the rate of monetary expansion was maintained at the previous year's level of 11.8 percent. The rate of growth of bank credit to the private sector slowed down from 24.2 percent in the 1983-84 to 17.8 percent in 1984-85. Similarly the rate of increase in bank credit to the public sector enterprises was reduced from 15.1 percent in 1983-84 to 14.1, percent in 1984-85.

According to the State Bank Report, the inflationary pressures were contained during 1984-85. The rise in DGP deflator was lower at 5.7 percent during the year compared with 9.5 percent in 1983-84.

Other positive features of the performance of the national economy were as follows: Gross Domestic Production rose by 8.4 percent in 1984-85 compared to 3.5 percent in the previous year. The gross rate rose primarily due to large rise in agricultural production and steady growth in manufacturing. The overall growth rate of the commodity producing sectors was 8.8 percent, compared to 1.2 percent in the previous year.

The growth rate of real Gross National Product, reflecting the combined position of real GDP and real net factor income from abroad, at 7.3 percent was somewhat smaller than the growth rate of real GDP, due to a sharp decline of 11.5 percent in real net factor income from abroad. The growth in real GNP exceeded the rate of increase in population by a wide margin. As a result, real per capita income increased by 4.1 percent during 1984-85 in contrast to a nominal decline of 0.14 percent in 1983-84

Value added in the agricultural sector registered a sizeable increase of 9.9 percent in 1984-85 as against a decline of 6.1 percent in 1983-84.

The growth rate of value added in manufacturing sector picked up from 8.1 percent of 8.6 percent. But for the widespread load shedding of electricity and shortages of gas in certain parts of the country, the growth of industrial production would have been significantly higher than actually realised.

Gross total investment at current prices is estimated to have risen by 15.2 percent in 1984-85 compared to an increase of 10.0 percent last year. The ratio of gross total investment to Gross National Product at current market improved from 15.7 percent in the preceding year to 16 percent during 1984-85.

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PAKISTAN

CAUTION URGED ON 'TIGHTENING DEBT TRAP'

Islamabad THE MUSLIM in English 14 Dec 85 p 4

/Article by Aslam Sheikh/

/Text/ Islamabad -- The Annual Report of the State Bank of Pakistan is usually a more realistic appraisal of the economy than the somewhat complacent projection emanating from the corridors of powers here. It has rightly warned against the danger of declining national savings and rising dependence on external resources. More particularly it has noted with concern that annual servicing of external debt is now touching one billion US dollar per annum.

In a way the warning is timely and must somewhat temper our otherwise enthusiastic preparation to incur additional liability of more than 6 billion dollars the US alone for the post-1987 period. What we will be borrowing as usual from some other Western sources will be extra. Additional borrowing from US alone will be taking our present outstanding debt to over $18 billion. If we take into account our total borrowing since the early fifties, the grand total comes to more than $30 billion, including what we have already repaid and what was repayable in local currency.

To assert that we are still not as heavily indebted as some Latin American countries is no comfort and in fact seems a lot of economic nonsense. Measured against our national income, our foreign debt is staggering, perhaps close to 40 percent of GNP. Our debt service ratio to GNP is also more than that of India or Bangladesh. Similarly, the percentage of our export of goods and service annually going towards debt servicing is staggering, 30 percent again much higher than that of the two South Asian countries mentioned and where the comparison makes some sense.

For the whole of the First Plan (1955-60), we borrowed around one billion dollars. For 1960-65 and 1965-70 periods it was about three billion each. In the first five years of the seventies foreign debt rose to around $3.9 billion. But over the past one decade alone more than $14 billion were borrowed, close to $12 billion between 1978 to 1985. During the last fiscal year alone total commitments were more than $2.3 billion.

Over the past ten years, our interest payments on foreign debt were more than $2 billion on the principal of around $3 billion that we also repaid. Interest payments on short-term loans were extra. With mounting debt servicing, the net inflow is dwindling every year, fresh borrowing increasingly going towards repayments. We seem to have been caught in a vicious circle and increased borrowing is adding and not reducing our dependence on foreign resources. The net inflow in 1975-76 was $923 million but in 1984-85 declined to $594 million after repayment of old principal of $513 million. If interest payment of $275 million is added, the net will be smaller still.

This has been a precarious game but we have been able to play it without any serious mishap so far thanks to last decade's remittances boom. From all indications we may soon be compelled to live without that windfall. Global economy is undoubtedly entering a new turbulent phase. A new oil price war is beginning to threaten relations between the OPEC and its Western antagonists. While it is premature to assess its real implications and consequences in the years to come, it will certainly create more complications for our economy.

In the short run, if oil prices fall, we may partially benefit from lower oil import bill, though it is not clear what kind of long-term contracts on old prices we have entered into. But a big crash in oil prices could also mean a new drastic cut in development expenditures in the Gulf region, forcing the countries there to send many of our expatriates back home at a much brisker pace than they have been doing so far. We hardly seem well prepared to confront that kind of situation.

Our economic policy-making, as it has evolved over the past few years, is putting excessive reliance on foreign resources both as aid and foreign private capital. Apart from the fact that such total dependence weakens our sovereignty and also has its pitfalls, all the expectations about the uninterrupted flow of external assistance may not materialise in the rapidly evolving new international economic situation. Indeed, Americans have their own reservations about the availability of funds for external commitment as the domestic pressures on reducing public expenditure mount.

The uncertainties and complexities of the unfolding global economic scenario therefore should also compel us to tread cautiously in such a slippery environment. In any case a close monitoring of the emerging trends and prompt adjustments in our overall economic strategy is necessary. Above all the sane course, in the light of our unhappy experience in the late sixties, is to curtail foreign borrowing and reactivate a policy which can draw upon ample reserves of domestic reserves. This also means a new austerity and curbing wasteful consumption of elites to generate domestic funds for more balanced growth and development of neglected regions and classes.

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AMNESTY INTERNATIONAL'S CHARGES DISCUSSED

Lahore VIEWPOINT in English 28 Nov 85 pp 20-21

/Article by Zubeida Mustafa: "Amnesty 1985"/

/Text/ If there is an organisation with an international membership that can never be popular with governments, it is the London-based Amnesty International. That is understandable, for its annual report, a blood-curdling but authentic and well-researched document, exposes the human rights records of countries in such a telling way that governments find it difficult to rebutt it. Hence it is invariably suppressed.

Amnesty treads on many toes because the issue it is most concerned with also happens to be the most sensitive for many governments: man's right to express his convictions -- political, religious and others. From this follow Amnesty's efforts to secure the release of political prisoners, ensure a fair trial for them and campaign against torture and the death penalty.

By focussing sharply on these issues, Amnesty manages to create an impact on public opinion though not necessarily a change in official policy or the human rights situation. At times its report is not even a revealing piece of literature for many of the facts are already known. Yet the report stirs the conscience because it gives in such concentrated form and in black and white information which is otherwise so scattered that it often fails to register.

Pakistan's Record

For instance, take the case of Amnesty's latest report released in October for the calendar year 1984. The five most serious charges of human rights abuse documented in the case of Pakistan are no revelation. What is more, most of them have been substantiated by Government pronouncements. But it would need a lot of optimism to believe that things are about to change; 1985 might even have been worse.

The report, fir of all, speaks of the large-scale detention of political opponents many of whom were held without charge or trial during 1984. It specifically mentions those arrested for participating in the MRD demonstrations in 1983, for protesting against the referendum in 1984, for conspiracy to overthrow the government, for agitating against the ban on students' unions and for preaching and propagating the Ahmadiya faith. What should be disturbing is that many of these -- termed as prisoners of conscience by Amnesty -- were denied a fair trial by internationally accepted standards.

Second is the charge of torture of political prisoners by the police and other intelligence agencies. Amnesty spells out the gory details: "While held in policy custody for several days, some of the students were reported to have been beaten with batons and pieces of leather, to have had hair pulled out..."

It further speaks of "death of criminal suspects in police custody, allegedly as a result of torture". Such instances are not unknown and were confirmed by the powers that be when some time ago two police officers were tried and convicted of torturing prisoners.

Thirdly, Amnesty charges that "some prisoners continued to be held in bar fetters and shackles " This should need no comment after a Federal Minister for State admitted before the National Assembly that a prisoner was kept in chains for violating prison rules.

Amnesty also takes strong objection to the floggings which "were inflicted in public as well as in jails" and at times resulted in "prisoners losing consciousness." Since floggings are routinely reported in the media -- with pictures in the Urdu Press -- this charge again cannot be challenged.

Finally, the report speaks of the execution of more than 70 prisoners during 1984, more than two-thirds of whom had been tried by military courts. One prisoner hanged in August was believed to have been under 18 years old at the time of his arrest. In one case "the Government intervened to procure the death-sentence on three men after a military court imposed prison sentences in a closed hearing." All executions have been duly announced, in some cases after they have been carried out. What is striking is the marked rise in the number of executions. In 1974, only two people were hanged.

Death Penalty

It is this matter of what Amnesty terms the "taking of human life by the State" that forms the focus of its report this year. Opposed in principle to capital punishment, the movement has campaigned vigorously against it and succeeded in some countries. By the end of 1984, 27 countries had abolished the death penalty for all offences and 19 for all but exceptional offences, such as war crimes. But over 100 countries still provide for the death penalty by law. Pakistan is one of them.

How does Pakistan's record of human rights compare with others? In 1984, at least 1,513 official executions were publicly recorded in 40 countries -- the highest figures being Iran 661, China 292, Iraq several hundreds, South Africa, 114, Pakistan 70, Afghanistan 68, Saudi Arabia 23, US 21, Syria 18 and the USSR 16. The same year 2,068 people were sentenced to death by courts in 55 countries.

Death by Torture

But many people who died at the hands of the State were not sentenced to death by courts of law. Prisoners died in custody from torture, neglect or ill-treatment and civilians were killed in raids carried out by security forces. In some African countries such as the Cameroon, Sierra Leone and Zaire prisoners died of malnutrition.

Reports of death by torture came from Chile, Turkey and Uruguay. Indiscriminate killings often of unarmed civilians have also been noted. Chad, Brazil, El Salvador, Guatemala, Indonesia and Sri Lanka had the worst record in this context.

Another form of State violence was that of making people "disappear" -- a phenomenon typical of Latin America. In Chile alone 650 people "disappeared" and it was learnt that several army officers were responsible for their fate. A number of them had been shot while others had been thrown from aircraft into the sea after their stomachs had been cut open so the bodies would not surface. In Colombia 300 "disappearances" were reported. Bolivia had 207 such cases.

In terms of number, the largest group is that of prisoners of conscience -- men and women detained because of their views. Generally held without trial they cannot hope to secure their release by legal processes. Their numbers can only be guessed at and even when based on conservative estimates they are formidable.

Human Rights and Peace

What is important is that a worldwide awareness be created about the importance of human rights for the development of the human personality and the quality of life of people. Moreover, it also needs to be more tangibly recognised that the issue of human rights has a direct bearing on international peace and stability. Not surprisingly the international community's efforts in the last three decades have been directed towards making human rights legally enforceable. Now there are 23 covenants and conventions dealing with different rights and one of them -- the Optional Protocol -- even makes it possible for an individual to take his government to task before an international tribunal. There is a standing body -- the Commission on Human Rights -- to study reports on the human rights situation in different countries. Ad hoc bodies have been set up to investigate excesses by State authorities -- the one on Chile being the best known.

But these developments have not led to any significant improvement in the human rights situation in many countries. Many governments are still as intolerant of dissent as before.

Amnesty, which was set up in 1961 by a British lawyer when two Portuguese students were sentenced to seven years' imprisonment for making a toast to freedom, has certainly helped create an awareness of man's right to hold his own opinions. Today it has 500,000 members, 3,430 groups in 55 countries and 45 sections in as many countries. What is significant is that there is no Amnesty International Group or Section at work in Pakistan. India, Bangladesh, Sri Lanka and Nepal have Sections of Amnesty International. Are we that insensitive?

/12851
CSO: 4600/157

PAKISTAN

SENATE RECOMMENDS EARLY REPATRIATION OF BIHARIS

Islamabad THE MUSLIM in English 13 Dec 85 pp 1, 8

[Text] Islamabad, Dec 12--The Senate today unanimously adopted a resolution expressing complete sympathy with the Biharis in Bangladesh and urged the Pakistan Government for their early repatriation and permanent rehabilitation in Pakistan.

The resolution, moved by Senator Maulana Kausar Niazi, was adopted after a thorough discussion, in which a dozen Senators took part. Those who participated include Maulana Kauser Niazi, Abdur Rahim Mirdadkhel, Mir Ali Nawaz Ahmed Talpur, Jehangir Khan Jogezai, Sardar Khizar Hayat, Syed Fazal Agha, Syed Abbas Shah, Prof Khurshid Ahmed, Mohsiin Siddiqui, Javed Jabbar, Hassan A. Aheikh and Qazi Abdul Latif.

The resolution was: "This House expresses its complete sympathy with and concern for the Biharis living in make-shift refugee camps in Bangladesh and recommends to the Government to make effective arrangements for their early repatriation to and permanent rehabilitation in Pakistan.

Taking the floor Maulana Kausar Niazi said the Niharis were staunch Muslims and true Pakistanis and that at the time of Partition they had opted for Pakistan and not Bangladesh.

He alleged that despite the tall claims of being an Islamic state, nothing has been done for the rehabilitation of these brethren in Pakistan.

He expressed his pleasure that the President during his recent visit to Dhaka had met a delegation of the Biharis. He said it reflects his favourable sentiments about them and stressed that positive efforts should be made in this regard.

Mir Ali Nawaz Khan Talpur supporting the resolution said that the Muslim brothers living in Bangladesh should be shifted to Pakistan. He said those brothers should be settled in all the four provinces and added that people of Sind will welcome them open-heartedly.

Mohammad Jehangir Khan Jogezai said that Islam being a universal religion has taught us a lesson of love and affection. The suffering and agony of Muslims are shared alike irrespective of distance or boundaries.

Sardar Khizar Hayat said that creation of Pakistan was the result of innumerable sacrifices rendered by the Muslim of the sub-Continent. He said the Bangalis were also in the forefront of this struggle.

Pir Abbas Shah said that the Biharis were made refugees due to their affiliation with us and were now languishing in camps. He said they should be shifted to Pakistan at the earliest. He suggested setting up of a Prime Minister's Fund for the repatriation of Biharis to solve the financial problems of their rehabilitation.

Prof Khurshid Ahmed speaking on the resolution said that he was pinched over the word Bihari used for our Muslim brothers. He suggested that it should be substituted for the word Pakistanis. He said they have been in miserable condition for the last 14 years. He said that he had seen them twice in the camps in inhuman condition.

Mr Mohsin Siddiqui while supporting the resolution said that if a fund was created for the repatriation of Biharis he would personally donate a sum of rupees five lakh towards this fund.

Javed Jabbar endorsed the views expressed by the mover of the resolution and called for adoption of the resolution keeping in view the human aspect of the issue. He said a plan should be chalked out to settle the Biharis in the four provinces. He said the Biharis, whom he called Pakistanis, would not be a burden on Pakistan's economy by any means.

Mr. Hassan A. Sheikh observed that the Biharis suffered because they supported the Pakistan army at the time of East Pakistan debacle.

Qazi Abdul Latif, speaking on the resolution, also favoured the resolution and demanded early repatriation of the Biharis.

Responding to various points raised by Senators in their speeches, the Federal Minister for Railways, Nawabzada Abdul Ghafoor Khan Hoti assured the House that the President, Gen. Mohammed Ziaul Haq and Prime Minister, Mohammed Khan Junejo shared their concern and the government was making every endeavour to repatriate the Biharis to Pakistan.

The Minister also denied a Senator's assertion about Saudi Government's offer of 350 million dollars for repatriation of Biharis and clarified that the funds were being collected by the Motamar Alam-i-Islami. About 35 million dollars had been collected by the Motamar so far, as against the total of 490 million required for the purpose. He also contradicted that the Pakistan Government was asking for cash payment of the fund. The Railways Minister also referred to President Ziaul Haq's meeting in Bangladesh with the Biharis.

The Minister of State for Religious Affairs, Maqbool Ahmed Khan, presented report of the Select Committee on the enforcement of Sharia Bill, 1985 before the House. Earlier the delay in the presentation of the report was condoned by the House.

Prof Khurshid Ahmed introduced the Freedom of Information Bill, 1985. The Bill, automatically stands referred to the Standing Committee, under the rules.

Maulana Kausar Niazi also moved another resolution, the consideration of which was deferred till the next working day, seeking reconstitution of the CDA Board, with inclusion of members of the Senate and National Assembly from Islamabad. Mr Shad Mohammed Khan, however, moved an amendment, seeking substitution of work "Islamabad" with word "Pakistan", in the resolution.

The House was then adjourned to meet again on December 14 at 5:15 p.m.

/12851
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SBPF CONVENTION REITERATES CONFEDERATION DEMAND

Islamabad THE MUSLIM in English 10 Dec 85 p 8

/Article by Maleeha Lodhi: "SBP Front Reiterates Confederation Demand"/

/Text/ London, 9 Dec--The first convention of the Sindhi-Baluch-Pashtun Front ended on Sunday afternoon with the unanimous adoption of a Declaration reiterating the demand for confederation. It also called for the convening of a constituent assembly with equal elected representation from each national territory to frame a confederal constitution for Pakistan.

In the closed session of the Front, a total of 75 delegates participated, including 25 from Pakistan 40 from Britain and 10 from Europe and the US. The text of the five-page Declaration was later released to the Press at the open session that followed attended by about 100 people, which was addressed by Mumtaz Bhutto, Sardar Attaullah Mengal, Afzal Bangash and Abdul Hafiz Pirzada, all of whom spoke in Urdu.

The Front's Declaration said it regarded the establishment of a confederal structure as the last hope for keeping Pakistan together and warned that suppression of the rights of nationalities would result in disintegration of the country. It argued that the rights of the minority nationalities could be protected only within a political structure that recognises the equality of all nationalities and which is based on the principle of voluntary association of their territories in a union of states, whose sovereignty is abridged only by the voluntary surrender by its historic predecessor. The Declaration pledged to pursue a foreign policy for Pakistan based on the principles of independence, non-alignment and friendship towards all neighbouring states. Urging a peaceful political solution of the Afghanistan conflict, it vehemently condemned the present policy of turning Pakistan into a frontline state and a surrogate interventionist force in the superpower rivalry.

The Declaration also demanded the annulment of all convictions and sentences pronounced by military courts and called for the immediate, release of Rasool Baksh Palejo, Fazil Rahu, Makhdum Khaliquzzaman, Jam Saqi, Mahmudul Haq Usmani, Haroon Ahmed, Jamal Naqvi and other political prisoners, including those arrested in connection with the Thori Case.

Pledging full support to the journalists struggling for the freedom of the Press, it also demanded lifting of the ban on labour and student unions. Claiming that the Kalabagh Dam project was detrimental to the interests of the smaller nationalities, it demanded its immediate abandonment.

The main emphasis in the speeches made by all the Front leaders was on explaining why the Front was formed, who in Pakistan was opposing it and answering criticism directed against it. All made the point that confederation was not a step towards secession but a way, the only way, to save the country from disintegration. All also expressed the view that while they did not want to label the Punjabi masses as a party to the exploitation of the smaller nationalities, they are in a position to stop the ruling class from continuing this exploitation, and must do so to save Pakistan.

In a powerful speech, Mumtaz Bhutto identified those opposing the Front as the regime, Punjabi politicians, socialists and collaborators who wanted a short-cut to power. Without naming him, Mr Bhutto launched a bitter attack on Ghulam Mustafa Khar saying that the so-called Sher-e-Punjab is on closer inspection, not even a jackal. Moreover, he continued, he also happens to be illiterate, getting others to draft and write his statements for him. Where are our Punjabi brothers today? he asked. "If they can't stop the ruling class, then they must accept responsibility for being a part of the exploitative structure". He also announced that he and other Front leaders would soon be returning to Pakistan to launch a peaceful campaign to present their case to the people and also to test the regime's claim that democracy was being restored.

In a highly charged speech, Sardar Mengal answered the argument that confederation would lead to secession by saying that "if we are given equality and are happy, why should we secede, why should we leave". To the charge that the Front had a Wadera and Sardari leadership, he said we want to give the people the political freedom to decide for themselves whether they want this socio-economic system. He warned the Punjabi opponents of the Front that if they did not accept confederation then there will be a confederation of three provinces and not four. He also said that it was for the Punjabi masses to furnish proof that they are not part of the exploiting structure by supporting the confederation demand. Much of Mengal's speech was in fact directed at Punjabi brothers". He also explained at length why the Front was demanding confederation. Calling the earlier acceptance of the 1973 Constitution as "our biggest mistake", he said that "we had accepted the Constitution only because of the extraordinary circumstances of 1971." He recalled that when the 1973 Constitution was being signed our governments were being dismissed", and when the Constitution was being celebrated we were in jail".

The interesting part of Mr Pirzada's speech was his claim that before Zulfikar Ali Bhutto was executed he had sent him a message through Benazir Bhutto, and later also told him himself that he regretted sending in the army to Baluchistan, calling it his biggest error" and, secondly, he had declared his support for the idea of confederation. Describing this as the late Prime Minister's last wish Mr Pirzada said he believed that Bhutto's PPP is finished because the party never fulfilled his last wish.

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Near East/South Asia Report

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IRAQ

NAVY COMMANDER DISCUSSES GULF WAR OPERATIONS

Riyadh AL-YAMAMAH in Arabic 6 Nov 85 pp 34-35

[Interview with unnamed Iraq Navy staff commodore by Walid al-Zubaydi; "Iran **Will Imprison** Itself If It Closes the Strait"; in Baghdad and Basrah, date not given]

[Text] For many months, the Iraqi Navy has directed effective strikes against some Iranian oil fields in the Arab Gulf region, including the "Nowruz, "Bahregan", and "Cyrus" fields. These strikes came at the same time as the Iraq air force was carrying out its strikes on Kharg Island.

In this interview conducted by the magazine AL-YAMAMAH with the Iraqi navy staff commodore commanding the Iraqi navy and coastal defenses, we held a number of discussions with this military commander who received us in his house and we completed the interview, by continual telephone contact with him in naval command headquarters in al-Basrah.

[Question] May we begin our conversation with the Iraq navy, which entered into a fierce war against an Iranian navy that was well-known to be superior to it before the war due to the outstanding capabilities provided for it in the time of Shah?

[Answer] I want to emphasize an important point--we do not want to talk about numbers and size, because the Iran-Iraq war has demonstrated that the outcome is not due to the strength or size of the naval power possessed by either of the two sides. If this were the case, then during the first months of the war when Iran had superiority it would have consolidated its domination over all the Arab Gulf, from north to south. But everyone knows well the extent of the domination of the Iraqi navy--with its ample capabilities--over the northern area of the Arab Gulf, including the area to the south of Kharg Island and the area of the Iranian ports in the north of the gulf. We do not want to talk about numbers and size as much as we want to talk about the navy that has exerted its control over the north of the gulf, since this is an important area and most vital and given that the economic installations, including the most important Iranian ports, depend on it. This includes the ports of Bandar and Shahar [presumably Bandar-e Mah Shahr] and the port of Bandar Khomeyni, which is one of the most important ports used by Iran for transportation, in spite of the very great damage inflicted on it. Iran persists in using it even as the damage increases. But finally, in the month of November, complete control was imposed over it and consequently Iran finally gave up on the port of Bandar Khomey-ni and has not used it since that time.

[Question] Since when, exactly?

[Answer] Since October [as published] 1984. The destruction of the port of Bandar Khomeyni was finally completed on that date. And it is still out of commission. Therefore, we have imposed our control at this time over large and important areas of the northern part of the Arab Gulf...the area important for Iran.

[Question] Are you pleased with the size of the Iraqi navy?

[Answer] We are extremely optimistic and relaxed about the size and strength of our navy, because it is of a logical and balanced size. We were fortunate in our choice of weapons, and, consequently, the results were positive, thank God.

[Question] May we pause with you on the Iraqi navy? What was, and what is its size now?

[Answer] Of course. At the beginning of the war, the navy was responsible for what were primarily defensive duties, but with the support of the leadership and the direct support of president Saddam Husayn, I can say that after the war the size of the navy did not stay the same as it was before the war. In weapons and equipment, it grew beyond what it had been at the beginning of the war. This is necessary for battle. Moreover, given our capabilities and Iraqi intelligence, we were able to get more use from existing weapons and to realize very positive results and returns in the battlefield. In this way we have excellent expertise and we are certain that we will achieve our battle objectives.

[Question] Was it the war and its circumstances that imposed this development on the Iraqi navy, or were there previous plans?

[Answer] The Iraqi leadership has been concerned with the navy for many years, and drew up the plans necessary to rebuild it many years before the war.

[Question] The navy has recently begun to concentrate on Iranian oil wells and fields. What effect have your strikes against these targets had on the war and the situation in Iran?

[Answer] The economic targets are still the means of financing the war. Moreover, it is well known that Iran has used its petroleum resources to finance and use war materiel rather than for the benefit of the Iranian people. This has been emphasized since the coming of the new regime in Iran. Even though the economy should serve peace, the leaders in Iran are opposed to that and are using the Iranian economy for war and destruction.. and this at a time when Iraq is continuing to call upon Iran for peace. But they persist in and continue with the war. We have stated, for a long time, that we will not inflict damage and destruction on the Iranian people by damaging their economic installations. In order that we not deepen the wounds, we are making it more clear and effective. We have tried not to leave deep effects. But the leaders in Iran have continued in their path and their insistence on destroying everything in Iran. Therefore, though we were patient for a long time, we were forced to use methods that we had refused to use for a long time. This will hurt Iran and inflict great damage on it. We have warned Iran for a long time, but they have not taken our warnings seriously, even though they know how great our destructive capabilities are. We have begun to hit and destroy the means of supplying the petroleum installations. These include the oil fields that usually are made up of a number of wells. Each one of them includes a number of pumps and means of transportation, such as the pipes that run to places from which oil can be exported. Among these fields scattered over the Arab Gulf region are the Nowruz area and the Bahregan field. The Nowruz field is considered one of the principle sources of supply for Kharg Island and other petroleum installations.

[Question] What is your evaluation of the recent strikes directed against the Nowruz and Bahregan fields?

[Answer] I can say that the two strikes were destructive strikes, inasmuch as destruction of the principle stations of the wells and destruction of the fields was very widespread and the proportion of destruction was very high. We hit the Nowruz field on 2 March 1983. It continued to burn for a long time, for a number of weeks, at which point the Iranians claimed to have repaired the well, whereupon we attacked and set it afire again. We will keep the fires burning in it until the end of the war. I say this, and I am sure that the Iranians understand this, because they know well our destructive capabilities. The Bahregan field is also among the most important fields.

[Question] When the Nowruz field was hit in 1983, I noticed, as a result of the leakage of enormous amounts of oil, an oil slick in the Arab Gulf, which stirred up a great outcry. Do you think that hitting the wells will ultimately lead to the appearance of such slicks?

[Answer] Such slicks appear as a result of effective and powerful strikes, or, rather, those that are of a destructive nature. Consequently, the volume of pollution to which the water of the Arab Gulf will be subjected is also very large and will be harmful to its interests. We do not want this. We do not at all want to inflict any damage on the region, even of this type. But we are compelled to do it. You know that the appearance of the slick leads to the death of some living things. Continued pumping of the Iranian oil wells and continuation of their economy means continuation of the ferocious war, which has destroyed tens of thousands of human victums. Thus, we are in a forced situation. We are compelled to do this. The brothers in the Arab Gulf understand this position. We want the war to end and we wish that it did not affect anyone.

[Question] How do you view the repeated Iranian threats to close the strait of Hormuz?

[Answer] A while ago, commenting on the Iranian threats, president and leader Saddam Hussayn said that closing the strait of Hormuz by the Iranians would be like someone going into a vault and closing it on himself. This saying has a deep and far-reaching strategic view, because all of Iran's interests are in the Arab Gulf. How could they close the strait, which is the sole passageway for their exports and interests? If Iran were to do something like this, I believe this would be proof of political thoughlessness. If it did this, it would endanger both its interests and those of the entire world, including the Arab Gulf states and those states that deal with them as a major source of petroleum in the world. Consequently, the volume of economic interchange between this region and the world is important, not just to the gulf but to the entire world. It is my belief that the world will never consent to Iran's controlling their interests. In short, it is not in Iran's interest to close the strait of Hormuz.

[Question] If Iran does undertake to close the strait of Hormuz, who will reopen this strait?

[Answer] The superpowers must assume their responsibility in this situation. I have been confident that, given the high level of capabilities that they possess, the Arab Gulf states would be able to defend their interests and to stop anything that is within its borders. Here I emphasize a matter invoked by president Saddam Husayn, to the effect that your brothers in Iraq are with you, with all of our capabilities and our naval and air power, if necessity calls, because our future is one and this is our Arab nation. We are fully prepared to stand by our brothers in the Arab Gulf.

[Question] How do you view naval power in the Arab Gulf region?

[Answer] There is no doubt that naval force in the Arab Gulf has made great strides, or that there are naval forces that have advanced rapidly in their preparations, capabilities and strengths. It pleases me, and I feel proud, whenever I think of the great development achieved by our fraternal naval force in the Kingdom of Saudi Arabia, particularly the "Dhat al-Suwari" project, by which Saudi Arabia acquired a number of frigates of outstanding capabilities, armed with all means of modern battle, including rockets, guns, modern fire-control systems and command-and-control systems, in addition to a number of characteristics that strengthen this navy that is considered, relatively, to be quite large, particularly if we take into consideration aspects of size, abilities and armament. Furthermore, the growth and development of a navy in Kuwait can be observed, along with those in Qatar, Bahrain and the Emirates, which have light and capable naval units. Thus, we are happy when we see the strength of our brothers growing in this manner, such that it makes us feel confident that we have the leaders to defend this region.

[Question] How do you explain Iran's resorting to maritime piracy recently?

[Answer] There are a number of aspects contained in this issue. The first is the military aspect, which explains the extent of the failure of the Iranian navy in actual battle. If it were capable of battle it would have fought the

Iraqi navy in the area in which its interests are exposed to the Iraqi navy, and it would have fought the Iraqi air force inasmuch as it had the means to defend against it. The fact that this navy, which has these abilities, neglects its vital objectives and withdraws into the interior of the gulf or the south of the gulf, and, given the battles that have taken place there, can have only one explanation, which is that it is not able to fight the Iraqi navy. The result has been that they have lost about half of thier navy, in view of which they have been forced to preserve what they have left and to preserve their self-respect. Consequently, they went to the south of the Gulf to interfere with civilian ships, in violation of laws and statues, since these ships are going to neutral countries with no involvement in the war. There are other aspects that, in their totality, point to the madness of Iranian policy, the lack of its clarity and the confusion of the various pillars of the regime in Iran.

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CSO: 4404/80

STRATEGY AGAINST IRANIAN ECONOMIC BASES ANALYZED

Baghdad AL-JUMHURIYAH in Arabic 6 Nov 85 p 3

[Article by Dr Bashir al-'Ilaq: "Iraq's Strategy of Depriving the Tyrants of Economic Resources--The Collapse of the Bases of the Enemy Economy"]

[Excerpt] As political observers and military and economic analysts observe, the decisions to destroy the Iranian economic installations emanate from the highest office of the state in special detailed directives from the president, leader and fighter Saddam Husayn personally.

The analysts and observers affirm that the Iraqi leadership made very detailed calculations when it decided to destroy the Iranian economic installations. This means that most of the destroyed targets possess great strategic importance, and consequently the effects on Iran will be disastrous. The fact is that the president leader has already affirmed "that it is up to the Iranians to preserve their self-respect through a bold, careful, intelligent decision to end the war. Without that, we will shell the battlefront and anywhere deep inside Iran from the land, air and sea." Likewise, his excellency cautioned the Iranians, saying "We are giving them an opportunity, and if they do not then our decision is to destroy all economic and information links. They certainly know that no point in Iran is beyond the reach of the Iraqis. What has been destroyed during the past 2 months is equivalent to what has been destroyed in Iran since the beginning of the war." And he gives proof of this. "It is certain that the destruction will remove the supports that made them continue the war until they take the road to peace."

The emphasis by struggling leader president Saddam Husayn that no point in Iran is beyond the reach of the Iraqis came to remind the rulers of Iran that their hopes and wishes today concerning their "revolutionary plans" to extend a pipeline along the coast to Bandar 'Abbas to export what Kharg Island is unable to export due to its destruction are merely daydreams. They know well now, after more than 5 years of brilliant Iraqi victories, that Iraq possess the more skilled pilots, just as it possesses advanced weapons that are counted among the first rank of advanced weapons in the world. Therefore, propaganda and drum-beating such as this will not be beneficial, even for local consumption. Tangible reality confirms that there can be no doubt that the destruction of Kharg Island alone has begun to leave deep fissures and irremediable effects on the body of Iran. The deepest and most serious effects, by far, are the petroleum, economic and military ones. From this point of departure, president leader Saddam Husayn emphasized that "Within one year, Iran will witness a situation that it has not seen before, and the Iranian people will call their leaders to account for the stupidness that they have committed against Iran and its interests." On more than one occasion, his excellency has emphasized that Iraq does not want to deprive the sons of the Iranian people of their wealth, but the rulers of Iran persist in using this wealth to destroy Iran rather than to build it. They use it first to finance and service implements of war directed against Iraq and the Arab nation, forcing the Iraqis to steer toward destroying them completely. It is inevitable, then, to target the economic installations of the enemy--on which they base their evil dreams--because these targets and installations are among the most important of the vital means remaining to Iran to finance battles and wars.

Iraq has always avoided striking petroleum targets in hope of restoring peace to the inhabited areas of the region. This remained a fixed course for Iraq until 5 August 1982, when president leader Saddam Husayn gave a widely known warning to the rulers of Iran. "If Iran persists in its obstinacy, then its basic vital targets will become those against which we will direct our air forces and other means more than other tactical targets."

Today, the tyrant rulers of Iran are paying a very heavy price for their pride and their persistence in lengthening the duration of the war and exposing the peace and security of the world to danger. The strategic plan that Iraq is carrying out today is to deprive the tyrants of their economic revenues. There is no going back. The decision to destroy all of the economic installations of the enemy will be carried out without exception. These tyrants must pay a great price for all of the crimes and disasters that they have committed against their suffering people and Iraq, on which they have imposed war, believing that they could destroy it and humiliate its proud people.

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IRAQ

BAGHDAD INTERNATIONAL TRADE FAIR OPENS

Baghdad AL-QADISIYAH in Arabic 2 Nov 85 p 6

[Article by Jihad Kazim: "President Saddam Husayn's Patronage of the 22d Baghdad International Fair Is an Indication That Iraq Wants To Strengthen Economic Ties With Other Countries"]

[Text] Under the auspices of President Saddam Husayn First Deputy Prime Minister Taha Yasin Ramadan opened the 22nd Baghdad International Fair yesterday morning.

The opening ceremonies for the fair began with a rendition of the national anthem, followed by recitation of verses from the Koran.

Mr Taha Yasin Ramadan then gave the following address:

"Honored brethren, friends, and everyone who is here, I am very happy to have the honor of representing our leader, President Saddah Husayn--Long may he live!--at the opening of the 22d Baghdad International Fair. I also have the honor of delivering to you his greetings and wishes for a pleasant stay in Baghdad, and for victory, peace, progress, and success in your noble endeavors.

"Gentlemen, President Saddam Husayn's permanent high regard for the Baghdad International Fair indicates just how important Iraq's leaders consider this fair. It plays an important role in strengthening economic and trade relations among the countries of the third world and the developed countries. To a large extent it also helps to provide Iraq with suitable advanced high-technology industrial products which are required for construction and economic development. Moreover, the Baghdad International Fair provides the opportunity for international corporations and organizations to acquaint each other with the latest developments in industrial equipment in all fields.

"The current Baghdad International Fair is particulary important because it is being held while Iraq is pursuing its pioneering development under the leadership of President Saddam Husayn, despite the circumstances of the now more than 5 year old war. This war goes on because the gangster band in Iran insists on continuing its aggression against Iraq, while it rejects every international decision and effort to halt is acts of aggression, oblivious of the harmful effects it is causing not only to Iraq and Iran, but to security and progress in the region. The international community, its various governments, institutions and organizations, have a great responsibility to take effective measures to apply pressure on Iran to accept peace and cease its evil policy of aggression."

Impressive Accomplishments

"During the 17 years since the revolution Iraq has gone through 3 national development plans to achieve rapid and comprehensive development, and to make the advances necessary for building a socialist society through maximum and equal mobilization of all available resources. We are doing this so the people of Iraq can achieve a better way of life economically and socially. This includes great progress for Iraq in every aspect of life. These plans have actually already achieved many impressive accomplishments which have brought about large increases in the national income and in personal incomes, and have raised the standard of living. From 1968 to 1984 the national income grew, at current prices, by a rate of 18 percent per annum. As a result, the per capita national income rose by 14.2 percent per annum at current prices, and personal income rose from 91.1 dinars per annum in 1968 to 760 dinars in 1984.

"There has also been real progress in agriculture. The area under cultivation expanded from 9.7 million dunams in 1976 to 13.1 million dunams in 1984. Production has improved significantly, rising from approximately 7.7 million tons a year in 1976 to 8.9 million tons a year in 1984.

"From the beginning the revolution has shown particular attention to the industrial sector in order to establish an advnaced national industrial base which will help strengthen socialist development in our country. Investment in this sector rose from 39.5 million dinars in 1968 to 730.1 million dinars in 1984, or about 20 percent [per annum]. The manufacturing industry has developed nicely, with the value of its production, at current prices, rising from 66.5 million dinars in 1968 to 731. 2 million dinars in 1984, for a composite growth rate of 14.3 percent.

"The revolution has also made great strides in the area of education. In an astonishing short time it has improved the quality of education and made education available to more people. It has enacted a free and compulsory education law. In the 1976-1980 national development plan investments allocated to the education sector were increased by 831 percent. The number of students in all stages of education rose from 1,321,419 in 1968 to 4,85,785 [as published] during the 1984-85 school year, an increase of 209 percent."

Expanded Health Services

"In implementing the program of the socialist revolution the country has made great strides in health services. A health insurance law and a medical graduation law have been enacted. A number of hospitals, health units and poor peoples' clinics have been opened to provide the best health services for the citizens. There were 52 percent more families in 1984 than there were in 1968. There were 29 percent more hospitals in 1984 than there were in 1968. There were 48 percent more health units in 1984 than there were in 1968.

"The revolution has achieved extensive and rapid progress in transport and communications. The total length of paved roads rose from 4,500 km in 1968 to 205,567 km in 1984. The socialist sector had no role in the land transport sector before the revolution, but since the revolution it has played an important role. An overland transport agency has been established. During the period from 1975 to 1984, 64.7 million tons of cargo were transported over land, and there were 1.5 million overland passengers in the same period.

"Railroads gave been improved and expanded, and modern technological methods have been introduced into the system. The capacity for carrying passengers and freight has increased with the availability of modern trains, coaches, and freight cars of various kinds. The number of rail passengers rose form 19.6 million during the period 1968-1974 to 34.3 million during the period 1975-1984. There is also a modern national road system in the capital, Baghdad, and the other governorates.

"We have also built a modern domestic and international expressway system of considerable length. It was built very rapidly."

Continued Development Despite the War

"Our pioneering development has continued despite the difficulites and obligations of war. Cooperative relations between Iraqi organizations and international corporations and organization have grown deeper in every area. This course of progress emphasizes the validity of the sane, accurate, and balanced program of Iraq's development plans which also provide for the requirements of defense.

"The confidence of nations and organizations in the strength of the Iraqi economy and its development plans shows that despite the difficult circumstances, this course of progress is an indication of a renaissance of development for Iraq in the future. Many new projects will be implemented, particulary after the great success President Saddam Husayn has achieved in surmounting the difficulties facing us, and in increasing our oil resources despite the world's economic crises, in particular, lower oil prices. Early last month Iraq began pumping Iraqi oil through Saudi Arabia at the rate of 500,000 barrels a day as a first phase. The amount will be increased after the completion of the second phase of this pipeline. Moreover, the pumping capacity of the Iraq-Turkey pipeline number 1 will be increased, and an agreement with Turkey has been reached to construct pipeline number 2. Thus, our capacity for exporting oil will soon return to what it was prior to outbreak of the foul Iranian aggression. There will also be new and diverse strategic agricultural and industrial export projects."

The Ability of Iraq's Leadership

"The implementation of these strategic projects demonstrates the ability of the Iraqi leadership to innovate and come up with new ways to overcome the most difficult and complex circumstances, and to triumph over vicious conspiracies to preseve Iraq's remarkable international stature and to maintain fruitful and extensive cooperation with all Arab and friendly nations. This will allow Iraq to continue to radiate the light of renaissance and progress, and will allow its international relations to grow stronger through extensive bridges of cooperation based on common interests and noble goals.

"The filthy conspiracy which has been carried out by the gangsters in Iran for over 5 years is one of the worst and most dangerous conspiracies against the Arab people. It is second only to the Zionist conspiracy which has resulted in the occupation of Palestine. If the gangsters in Iran have focused their aggression against Iraq because of its progressive revolutionary experience and its important geographic position, then the basic long-term goal of this extensive aggression is the entire Arab east. Iraq will not make it easy for its enemies of various nationalities and alliances to fragment the Arab community, occupy its land, seize its resourcs, distort its heritage and culture, drive its people into exile or hinder its progress and development.

"The Iraqis have thwarted the most grandiose aims of this conspiracy. This conspiracy is being carried out by Khomeyni and his followers along with extensive and public cooperation and coordination with the Zionist entity, the Syrian and Libyan regimes, and other international parties who do not want stability and progress for the countries of this vital part of the world, and who want continued war to achieve their evil ambitions. Thus, they encourage the gangsters in Iran and help them continue their acts of aggression against Iraq. However, they have not been able to fulfill their ambitions thanks to the brave and peerless leadership of President Saddam Husayn on the battlefield, and thanks to the spirit of self-sacrifice in the breasts of Iraqi soldiers and heroes who have chosen martyrdom for our great country, Iraq. They have given up their own lives, their youth and their families so that Iraq will remain strong for the future.

"They have crushed every Iranian attack despite big preparations and numerous maneuvers. The Iranian human droves--numbering in the thousands--turned into carcases filling lakes, plains, valleys and mountain tops. After their devastating failure to achieve their ambitions militarily, Khomeyni's followers and their allies set out to exhaust Iraq economically. The regime in Syria decided to cut off the flow of Iraqi oil through Syrian territory. But Iraq's leaders have worked to maintain the Iraqi economy despite the difficulties of this period by maintaining its strength equally through domestic measures to organize the many expenditures and through agreements with every other country to organize relations for current and future cooperation. The position of international corporations and organizations has been positive, and that makes us proud, because they know the real strength of the Iraqi economy, and the critical state of its development programs. The difficulties Iraq is experiencing will not last for long, and in fact this crisis has not lasted for long. The Iraqi people have been able to surmount it, the wheel of progress continues to turn, Iraq's international relations are improving, and sources for Iraq's defense requirements are multiplying."

Later, Minister of Trade Mr Hasan 'Ali, made a statement welcoming those in attendance. He emphasized that this edition of the fair held certain distinctions over its predecessors. Namely, it coincided with the 17th anniversary of the national socialist revolution of 17-30 July, and the passage of more than 5 years since the beginning of the Iranian aggression against our fighting country.

He added, "The 22d Baghdad International Fair has been able to include a larger number of nations and corporations. This year 64 countries and 2,100 corporations are participating. The fair has become a rich international market with the latest industrial and technological products which does more than serve the interests of development in our country alone. It has become an important commercial facility for the other Arab countries and the entire Middle East due on the one hand to the quantity and variety of exhibited items, and on the other hand to the large number of visitors to the fair from various friendly countries." He also referred to the steadfastness of our fighting country and its resistance to the conspiracies of aggression against our borders which have won the admiration of the whole world and the nations of the region.

Then the opening ritual began when the president's representative cut the ribbon and declared the 22d Baghdad International Fair officially open.

The opening ceremonies were attended by Dr Sa'dun Hamadi, chairman of the national committee, several ministers, delegations from Arab and friendly nations, members of diplomatic missions in the country, heads of organizations representing the masses, and heads of professional organizations in the country.

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ISRAEL

INTERVIEW WITH DEFENSE MINISTER RABIN

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Sep 85 pp 10-13, 24

[Interview with Defense Minister Yitzhak Rabin by Aharon Lapidot: "It is Better To Prevent War Than To Win It"; date and place not specified]

[Text] [Question] Minister of Defense, the commander of the Air Force said in an interview in BITA'ON that "cutting must stop at quality." Have the cuts stopped at quality?

[Answer] I have no doubt, that what the commander of the Air Force said expresses a situation which we must aspire to. However, the reality, unhappily, is different. The scope of the cuts in the defense budget since the summer of 1983, is relatively and quantitatively larger than at any time since the establishment of the IDF.

I wish I could say, that this cut will not affect quality. But, unfortunately, it also affects quality. In the Air Force, for example, the number of flight hours was significantly reduced, even beyond what I--let alone the people in the Air Force--think it should have been. It is impossible to execute such a large reduction without hurting the level of security service which the IDF provides the country. This means, that we have taken security risks, for the short term and for the long term, out of the hope that by doing so we are contributing to healing the national economy. I therefore hope, that when the economic situation improves, we can return to truly what is required for security and to preserve quality, even if on account of quantity. However, today, as I said--both quantity and the quality have been affected.

[Question] Did the peace treaty with Egypt play a role in the system of considerations which brought the decision on the size of the cut in the defense budget?

[Answer] In the short range, two facts exist which reduce the risk involved in reductions. One is the peace with Egypt, which is not new, and the second--the Iran-Iraq war. Despite the significant growth in Iraq's strength (almost doubling her military might since the start of the war) and despite her acquiring battle experience--as long as Iraq is chained to her eastern front, against Iran--there is more relaxation on our eastern front. This leaves just one country which presents a clear danger to Israel--and that is Syria.

[Question] Did the IDF withdrawal from Lebanon contribute to saving?

[Answer] This savings will not really be felt in this budgetary year. I shall explain: as a result of the IDF redeploying along our northern border, and as a result of our being, in April, May, and to some extent even in the month of June this year, at the height of the process of exiting Lebanon, we had heavy investments in infrastructure, fencing, fortification, and construction along the international northern border. Add to that the carrying out of the decision to have a security region in Southern Lebanon, in which we assist the SLA with organization and with means--and the result is that budgetary savings as a result of the conclusion of the war in Lebanon will find expression, maybe, only in the next budget.

[Question] What, in your opinion, is the best combination in the industrial-defense-economic complex which would be most suitable for the State of Israel?

[Answer] A large defense budget must be measured first and foremost against the question to what extent it gives the best military value [return]. But, at the same time, we have to ask ourselves how we can use the military budget to contribute as well to the technological-industrial development of the State of Israel?

[Answer] A large defense budget must be measured first and foremost against the question to what extent it gives the best military value [return]. But, at the same time, we have to ask ourselves how we can use the military budget to contribute as well to the technological-industrial development of the State of Israel. We must find the right mixture, which will use all the budget--both from internal sources and from American assistance sources--not only for a specific military goal.

For example: Project Lavi, which has great budgetary significance. The Lavi is the biggest national project we have had since the establishment of the State of Israel. It is possible, that from a narrow military point of view, we could find reasonable solutions for the Air Force, that would not require the investment of more than $2 billion in development of the airplane alone. I mean, of course, acquiring airplanes from the United States. However, as already has happened in the past, the defense budget in the State of Israel has a task of advancing the technological industry. Therefore, narrow financial measure of the development of the Lavi in Israel versus acquiring airplanes abroad, will show that it is cheaper to acquire airplanes aborad. However, when the Project is examined beyond the direct definition of a fighter plane for the Air Force for the 1990's and the beginning of the 21st century and, when you take into account, as well, the technological level of the country, its social nature, its ability to advance exactly those sophisticated industries on whom the future of the country depends, we must reach a different conclusion--we must develop the Lavi airplane.

The defense system and IDF today are required to assist the economic situation two central levels: the first, in cutting, and the second--to use the defense budget in addition to increasing the technological industrial potential of the country. The result of this effort is that a third of our export is in the area of weapons system, ammunition and military equipment.

[Question] Mr Rabin, is the defense system putting forth new long range plans for building the force?

[Answer] It is my estimation that in the existing circumstances and in view of the condition of the national economy it is hard to see that in the coming year or two (and I hope that the opposite does not happen) there will be a significant increase in the resources which the State can use for the defense budget. Thus a long range plan adapted to reality is obligatory. In 1982 such a multi-year plan was determined, which was intended to be in effect until 1987. However, the budgetary assumptions on which the program was based no longer exist. There is no point sticking with this program any longer, which certainly will not happen. Therefore, today the General Staff has been asked to prepare a new reduced long range plan, and to re-evaluate priorities in view of one criterion: the resources available to us. And it must be remembered, that this is at a time when the threats have not changed.

There is a tendency in the public, at times, to get stuck on slogans. First and foremost, things are said in a repeated attempt to find justification for the change in the proportion in the state budget between what was acceptable and required for defense and between that portion which is allocated to raising the standard of living and improving social benefits. With all the importance that I grant to such topics--the existence of the State of Israel is still dependent upon her military strength. The State of Israel has no guarantor of its existence--except for the IDF. I sense, that for some reason, in order to justify existence of a more comfortable way of life, some look for 'wonder formulae' that are unrealistic, to justify hurting defense, and I see this as very serious.

At the same time we all have to examine conventions as to allocation of resources within the military system. Battlefield conditions in the decade of the '90's will be different from those at the beginning of the eighties and most certainly from those at the beginning of the seventies. These conditions demand that we fully exploit to the limit advanced technologies and weapons and warning systems. Also we must know that due to limited resources we have no choice but to go the path of quality over quantity.

The basic defense policy of Israel is, that in today's conditions, against the threat to our existence by Arab armies, first and foremost, to deter war. If our ability for deterrence is not enough, we must win in the most striking manner by the greatest possible damage to the forces of the country or countries which attack us, along with greatest possible territorial acquisitions, in order to bring about a cease fire at the request of the other side under conditions favorable to the State of Israel and at the greatest possible speed. The effective meaning of these words is that if deterrence is not enough, we will have to shift the war to enemy territory. The significance is, that our basic military perception, is defensive, but this is realized by the IDF, which is principally an offensive unit.

[Question] What part does the Air Force play in this planning?

[Answer] The Air Force, by virtue of its nature, with current conditions, is the fastest, most versatile, and flexible force, occupying a senior position of importance. However, it is hard to assume, that achievements like those in the Six Day War, which became the central key to the success of the entire war, will be repeated. It is known that a great danger lies in generals planning the next war based on how they fought the previous war. However, I have no doubt that achievement of air superiority, that is, the ability to clean the skies of enemy planes, the ability to carry out freedom of action for our planes, and assistance to ground and naval forces by destroying enemy ADA is the key dimension to realization of the defense policy.

[Question] The political cabinet decided recently to continue development of the Lavi. Does this decision mean that additional resources were found or promised for production of the airplane? Is it expected that there will be any further evaluations or examinations of the project as it continues?

[Answer] The re-examination or--to be more precise--the re-evaluation of Project Lavi was held for two reasons. First, since the decision to develop the Lavi airplane was in 1980, the operational requirements of the plane have been changed in order to adapt it to its destination in the Air Force. We are no longer talking about the simple airplane of the eighties, which at first we talked about. The Lavi remains a simple airplane--but now in terms of the years of the nineties and the beginning of the 21st century this has become a sophisticated airplane, more expensive, which includes technological components which today do not exist in Air Force planes. The second reason--as a result of the change in professional requirements, the development cost changed as well as the cost of production. The estimated development cost of the Lavi has at least doubled since 1982. With the decision by the government of the United States to facilitate use of financial aid for defense by its conversion into shekels--development work can be executed in Israel, in addition to what was done in the United States. Today we have an American promise to complete development of the airplane. I do not think that with the resources of the State of Israel alone we would be able to guarantee the production of the Lavi.

American law does not enable financial obligations beyond a year, and in very rare instances--two years. I have reason to believe that when the United States, with its two divisions in the government--on the one hand the executive, that is the president and the government offices, and on the other hand the legislative institution, that is the Congress with its two houses, passed the development budget, they took into account that we were also talking of production. And they know, that without massive American assistance in the present proportions, it will be difficult to execute the Lavi project--and I am understating. Therefore, it seems to me, that the decision taken by the political cabinet is a decision to go ahead with the development and production of the Lavi airplane, on the assumption that the scope of American assistance will remain at present proportions. I hope that when we start production of the airplane at the end of the decade the economic situation of the state will improve and we will be able to think in terms of Israeli aid in the matter.

[Question] Is there an intention to enter partnership in production of the Lavi with an American corporation?

[Answer] It is no secret, that we are most interested in an American company entering partnership with us, planning and production of the wings and tail by Grumman and the engine by Pratt and Whitney but not only in the form existing today, that is to say, not only ordering work from a company, but rather partnership of the type that will include the marketing of the airplane--in the United States and elsewhere, which otherwise we would not be able to reach. Unfortunately we have not yet found such a partner.

[Question] In view of the Syrian buildup, what is your evaluation of the danger at our northern border with Syria?

[Answer] Syria alone, despite her striving toward what she calls strategic balance and despite the great building of her forces since June 1982, does not present a threat to the existence of the State of Israel. However, to the same degree the policy of Syria is hostile to Israel, it is the only Arab country which is free, theoretically at least, to act against Israel. Since logic is not the dominant factor in the determination of developments in the Middle East, as we have all learned from the past, our estimations of the situation have not always come to pass--I have no doubt that the IDF must be deployed against the possibility that the Syrians will make a mistake.

[following is in bold print] From the aspect of deployment for military confrontation with an Arab army--the first priority of the IDF for the coming year--is against Syria. I hope that the Syrians will not make a mistake and take the initiative in war. I am sure that we can hit Syria with a decisive blow, but I prefer to prevent war than to win it. It is no solution to our basic problems.

[Question] How do you estimate the part of the Air Force in the battle against terror?

[Answer] From the first, a hundred years ago, the war against terrorism has accompanied Jewish settlement. Unfortunately, I cannot say that there is a military solution to terror. There is no terror which is solved by military means alone. As long as a general solution to the Arab-Israeli conflict is not achieved, we have no recourse but to face terrorism which changes its forms, the nature of its actions, and sometimes even the factors which operate against us. For example, prior to 1982 we did not know Shi'ite terror.

By the same token, along with my saying that there is no solution to terror by means of war, or by the system of "spank and it is over," to the same degree terror also should not be treated fatalistically. We must constantly adapt the methods for fighting terror to the nature of the terror in order to reduce to a minimum our vulnerability to it and in order to cause the greatest damage to the terrorist organizations, their bases, their organization, their participants, and their people before and after--always preferably before--an action. "Border Terror" we have today only in one arena--Lebanon. Three years of war in Lebanon did not destroy the terrorist threat from there. There is no perfect solution. Recently there were a few cases of katyusha shots in the North and I cannot promise that no katyusha will fall on our northern border. At the same time, we cannot agree to destroying a normal way of life in the northern settlements. If there is such a trend, there will not be a normal life for all the residents of Southern Lebanon [either].

On the fronts: Egypt, Jordan, and Syria--there is no "border terror." These governments have taken upon themselves, whether de facto or whether by force of agreements, to prevent terror against us. Usually they succeed in preventing the shooting of katyushas, artillery fire, and infiltration--not hermetically, but significantly. It is possible to say, that they do the principal prevention, although, of course, this does not relieve the IDF of doing its portion on the Israeli side of the border.

Another form of terror activated against us is "external terror." Here the intention is to infiltrate terrorists via the sea, using balloons, windsails, etc., and infiltration via the land lines. I believe, that we are well deployed against this type of terror.

A third type of terror is the "terror from within." Today we rule, in Judaea, Samaria, and the Gaza Strip, an Arab population numbering 1.3 million. This population, for the majority, wants to live in peace. This does not mean that it loves us or that it is dying to accept our presence. It accepts the reality and leaves the burden of solving the problem to inter-Arab system. Of course, within it and from this population hostile organizations exist, on a local basis or by way of terrorists organizations themselves, with the objective of hurting Israel. Do not forget the extent of involvement of the residents of Judaea and Samaria and the Gasa strip in the Israeli system. About 100,000 residents cross the green line daily, free movement exists, and the markets of the Arab cities are humming with thousands of Israelis on the Sabbath--and not only on the Sabbath. These circumstances create conditions which make it quite easy to carry out such strikes as shooting an Isareli who is shopping or planting a bomb.

The war against this terror is daily. Over the last 18 years we were witnesses to a rise in this war. Today we are in a period of a certain rise, and the number of injured reflects this. An additional characteristic of activity in the recent period is that about 50 percent of the organizations are local, and I see a worrisome sign in this.

The principal part of the war against terror is the war of intelligence--in collecting intelligence and in foiling planned actions. A second level on which the war against terrorism is held is the war against all kinds of instigators--and here we have decided to use many means which were not used in the past. A third level is the existence of law and order. I must note that parallel to a rise in terror is the number of discoveries of breaking of public order: strikes, closing of stores, burning of tires, student riots. These have dropped greatly.

Where is the place of the Air Force in this war? The Air Force is one of the instruments for acquiring information, it is intended to damage targets located beyond the areas of our control, and assists in quick moving of forces by means of helicopters and cargo planes. It is possible to state that this form of war against terror is more land-water fighting with the Air Force acting as an assisting factor.

[Question] What is the place of the new command posts of the PLO in Jordan in the present system of terror?

[Answer] The transferring of these command posts from Beirut and Damascus to Rabat-Amman has brought them closer to the principal concentrations of the Palestinian populations: two million Palestinians west of the Jordan and a million and a quarter east of it. The possibility of direct contact with residents of Judaea, Samaria, and Gaza has grown. There is no doubt that this is one of the factors by means of which it is possible to explain the rise in terror in Judaea, Samaria and Gaza.

[This paragraph also in bold face:]

In my estimation, the Hashemite regime made a double error in opening the gates of Jordan to the return of the political and terrorist headquarters of the PLO. Thus it has reduced, on the one hand, its freedom of political maneuvering and the chances for development of a political process with Israel, and, on the other hand, it has now created an internal danger to itself, even if it is not immediate, to its existence. In addition, the chance for friction between Israel and Jordan has increased.

[Question] Every Israeli government has had a clear policy: absolute opposition to the supply of weapons to any Arab country which emphasizes that it is in a state of war with Israel.

It is inconceivable, that a government in Israel, or a responsible party in Israel, would not do all against the supply of weapons to a country which is liable, the next day, to use them against the soldiers of the IDF or against Israeli targets. Opposition of this sort is the moral and military responsibliity of every government in Israel. Therefore the opposition to the supply of weapons to Jordan is true and irrevocable. Even if we do not always succeed in it, it is upon us to invest our best efforts in influencing--first and foremost the United States--not to sell weapons to Jordan.

[Question] How do you evaluate Jordan's willingness to enter peace discussions with Israel as of today?

[Answer] Unfortunately, Jordan is not willing to be cut off from the PLO and slows down all advancement in the peace process with us by walking hand in hand with Arafat. I believe, that on this matter, the unity government is truly unified. All the principal components are unwilling to negotiate with the PLO. With Jordan--yes, with a Jordanian Palestinian delegation, including Palestinians who are not members of the PLO--yes. Direct negotiations--yes. To the best of my knowledge, the Murphy mission, which was based on something which we did not agree to--to meet with a Jordanian-Palestinian delegation which also included members of the PLO on the condition that it would bring about immediately direct Israeli Jordanian negotiations--did not go well.

[bold again] We want peace, but in the words of the well-known saying: for war it is enough to have one side, for peace two sides are required. As long as Jordan does not become rational and will not dare to declare its desire for negotiations with us, there will not be peace. Peace cannot be forced. We will hope that in the future Jordan will change its position.

[Question] Mr Minister, on the matter of personnel in the IDF, do you think that the "brain drain" to the civilian market is now over?

[Answer] Care must be used in employing the term "brain drain." Although in recent years the demand in the civilian market in certain areas--principally in the technological and engineering areas, was tempting and made it hard for the defense system to fill positions, I believe that despite these demands, enough good brains remained in the army and in the defense system. We were in trouble and unfortunately--we still are today. But if I am asked today about the problem of what the real difficulty is that faces me, at least my personal feeling, is that I would say that the difficulty is the need to fire people in the defense system: career people, civilian IDF employees, employees at Fafael, the Military Industry, etc.

[Question] Does the objective still exist of reducing the salaries and service conditions of regular army people?

[Answer] As a result of the government policy in the economic area, people in the regular army were affected. I believe and hope, that we have gotten to the end of the line in this area. That is to say that there will not be a recurrence of what happened in two striking instances: first, cancellation of the exemption from property tax, which was the right of regular army people until this year, and second, the freezing of an increase of 8 percent for members of the regular army, an increase which the rest of the workers in the country received. Unfortunatley, this was a decision of a government which backed the Minister of Treasury. The justification for this was, that the members of the regular army had already received an increase, but in fact this increase was connected with the previous erosion.

[Question] Is there any message on the matter of dismissal in the defense system?

[Answer] Sometimes it hurts me that the defense system is the only system which completely carried out the reductions it promised. Not only was the most significant reduction out of government offices, from the aspect of office activity, carried out in the defense system, but also it was carried out in full. However, when I "look cross-eyed" to the sides I feel uncomfortable. I believe, that a member of a government must carry out the decisions of that government even if they hurt and when they affect him.

Unfortunately, I cannot promise that the process of layoffs will not continue. In order to enter the budgetary framework, we will have to get the regular army down to a certain force size which will remain correct for a number of years, will neither grow nor decrease and will enable planning so that he who serves in the defense system is not subject to changing developments. I believe that we will reach that as next year approaches.

[Question] What can participation in the "Star Wars" Project contribute to the State of Israel and how can Israel contribute to the Project?

[Answer] What is called "Star Wars," that is, the Strategic Defense Initiative of the President of the United States, Ronald Reagan, is a research program and development of a defense means against ballistic missiles. The American Secretary of Defense, Caspar Weinberger, sent me a letter including a request that Israel join the program. The government decided to examine the significance of the request in a positive approach without making a formal decision.

In view of this, contacts have been made with the United States, by means of the Israeli delegation there. We are clarifying what we are being offered, what will aid us in developing the technological skill of the country. In particular, in the same areas that relate to specific defense problems of Israel such as computers, lasers, and communications.

As stated, the matter is still in a state of clarification and therefore no positive decision has been made. There is a positive approach and as to the investigation as out, of what is good for Israel is good for the United States.

[Question] And finally, Mr Rabin, what do you wish the Air Force for the New Year?

[Answer] I wish for the Air Force and the people of Israel that the coming year will be a quiet year, a year of strengthening and that we will be able to stand and face all missions, even the unexpected.

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FLIGHT SIMULATORS IN IDF USE REVIEWED

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Sep 85 pp 33

[Article by Doron Danai]

[Text] Just an ordinary week day, at noon. The summer sun glares on airplanes awaiting take off. At an Air Force base a pair of Phantoms line up on the takeoff runway prior to taking off on their third air battle that day. At another base a pair of F-15's, lines up, also for their third battle of that day. The pilots, as young and as talented as they may be, are tired and beads of sweat dripping from their oxygen masks do not add to their alertness. In the few minutes which remain prior to the line up on the runway pictures from the day's earlier battles run through the mind--the lessons learned, conclusions, and plans for the approaching battle. The moment the engine noise increases and permission is granted to line up and take off, the senses sharpen and concentration is at a maximum. When they come to the air battle the brain will have to deal with a tremendous quantity of data which changes every second. To understand, to analyze, to plan and execute correct actions, these will bring about success in battle.

The pair of Phantoms and the pair of F-15's take off simultaneously and make their way to the battle area. Air battle--four jet planes, whose speed ranges during the battle between 150 kilometers per hour to mach 1.5. These airplanes within seconds travel a number of kilometers, change height, location and speed. And in them six crew members, six brains that analyze the course of the battle, six pairs of eyes that spy and seek out airplanes in the sky following the black dots which quickly move.

Who is who and where is he flying? Friend or foe? Dangerous for me or am I dangerous to him? The brain works to the edge of the limits of its ability. Six mouths that talk over the radio and try to say only what they must say. Today it also contributes, as it is so jammed that sometimes two talk at once and a bothersome high frequency beeping is heard. All this complex matter and this struggle goes on for five long minutes, which are 300 seconds crammed with events until the gasoline is used up; the battle is stopped and the airplanes return to base to land.

There the real battle begins.

Savings at Any Cost

At the Phantom squadron base, in the clubroom, four of the pilots from the team which just landed have sunk into easy chairs. Their flight suits are still wet with sweat stains, their muscles are strained from the great G-force they just exercised, and recognizable signs of fatigue are on their faces. Now they try to reconstruct the battle step by step, stage by stage, in order to understand what they did well and where they erred.

Everyone in the air force understands that a good analysis is the heart of every flight and the key to advancement and good results. An air battle, as good as it may be, will not contribute anything to the pilot if he does not know how to interpret and understand what happened and to learn the lessons. The price of such an air battle between two Phantoms and two F-15's is astonishing: tens of thousands of dollars for 5 minutes of air battle practice. Therefore it is so important to reap the maximum out of every second. Not to repeat mistakes!

Since the establishment of the Air Force efforts to improve the means of analysis have been made. At first barrel cameras were put in, which photographed pictures from the barrel during the time of shooting. Afterwards movable tape instruments were installed, which could be hooked up to the radio system to capture the voices. Recently with the introduction of advanced F-15 and F-16 airplanes as well as improved Kfirs, a video tape system was installed which records pictures and voice during the entire battle. And during the last year, the diamond in the crown, the instrument for analysis of air battles.

With the reduction in flight hours and practice areas, this instrument has become a real necessity. With the aid of sophisticated computers and a communications system the computer records the battle. Transmitters attached to the airplanes transmit data every second and powerful receivers spread through the area receive and process this data. Afterwards it is possible to reconstruct the battle down to the finest details. It is possible to enter the cockpit of every participant, to see what he saw at any given moment. It is possible to receive a 3-dimensional picture of the battlefield with all the airplanes. It is possible to read the flight data (speed, height, attack elevation, etc); it is possible to see the weapons deployment, it is possible at each stage to stop and repeat until the stage is clear to all and, in short, everything a pilot ever wanted to know and did not know or dare ask. The days are long past when an "old" reservist could sit after the third gig the same day, smile, shake his head and say, "I simply do not recall" during the debriefing. The days are gone as well of heated arguments over what was and was not during the battle. After landing you go to the structure for air battle debriefing, sit in comfortable chairs and the battle is recreated before your eyes.

Atari Settles Accounts

At the Phantom squadron it is now late afternoon already and the crews of the combat aircraft against the F-15 airplanes are awaiting details of the shooting developed from an aerial photograph in order to complete the battle picture. Boy, are they jealous of their colleagues who carried out a similar battle only at a different installation and who were done with a very high quality analysis only half an hour after the end of the battle. This is the situation to date.

An expensive installation, very good and in demand by flight crews. Not everyone is lucky enough to practice in it daily and the "battle" over flight time in the installation gets worse as more and more people learn about the instrument, its advantages, and its astonishing capabilities.

I recently visited the central installation located in one of the Southern bases from which the picture is sent to rooms spread out on every base. A number of Phantom pilots arrived along with it from a neighboring flight squadron. They were still dressed in flight gear and hurrying here immediately upon landing and before returning to their base to "settle" accounts.

The temperature is warm until one enters the viewing room. "M," assistant commander of the squadron, claims his two knocked down the other two in the shooting before the battle started. His words arouse anger and bitterness in the other two, who claim the range was too great and it simply cannot be. "Stop yapping," says "M," and the atmosphere boils.

The door opens and the entourage enters the dark, air-conditioned viewing room. The temperature automatically lowers, the talking becomes quieter and more to the point. The guys spread out in soft comfortable chairs, their eyes on the two giant structures on the wall in front of them. There is an air of otherworldliness to this viewing structure--the pavilion did cost several millions of dollars. There is nothing like it in all the world, and someone once said it is like an Atari worth millions.

Within a few moments it is seen that "M" had a malfunction in the radar and therefore he was certain that he had downed the other pair when in actuality the range between them was too great. On one screen the airplanes appear, drawn in different colors, changing their position in accordance with the stages of the battle. There is one other unclear point regarding the battle: when two members of a pair thought they saw one of the airplanes from the other pair they in actuality saw both of the other pair of planes, simultaneously executing the same drill. Within ten minutes the analysis will end and the pilots will hurry to the squadron with each one knowing exactly what he did well, where he erred, and what he has to improve.

Automatic Fine

I remain in the room with my longtime friend, who today is officer in charge of the installation.

"D" tells me that the ground stations who receive the broadcasts from the airplanes are operated on solar cells. A short time after these cells were installed in the training area useability problems arose. After a number of weeks it was learned that the Israeli songthrushes were eating the covering of the cells with great appetite. The material was changed, to the great displeasure of the birds, and to the relief of the operators of the installation.

"D" also tells that the installation is growing and developing constantly, investigating new functions, and is used to evaluate large scale air battles. There are squadrons that once a week do their daily evaluation in the viewing room, presenting one air battle and analyzing it down to the smallest details. The device is so highly sophisticated that many pilots, despite their using it in daily evaluations, are not yet familiar with all of its functions. For example, the screen presents a graph of the optimal flight and the status of the aircraft on the graph at any given moment.

In the Air Force it is standard that for exceeding flight limitations such as dropping height or dropping from the permitted speed, fines are given. Since the commencement of flight analysis using the installation, breaches were seen which the pilots were not aware of making in the heat of the battle. A suggestion was made to connect the computer of the installation directly to the IDF payroll computer, to automatically take the fines out of salaries.

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INTERVIEW WITH ARMOR SCHOOL COMMANDER

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Sep 85 pp 48, 49

[Interview with Armor School Commander Colonel T by Gil Bar Tal: "On Coordinated Tank-Battle Helicopter Action, Anti-Tank, Rapid, Precise, and Deadly!"; date and place not specified]

[Text] [Question] Colonel T, Cobra helicopters were put into service as a direct outcome of the Yom Kippur War. There are those who claim that a number of combat helicopters would have changed the situation in the first days of that war completely.

[Answer] I am of the opinion that if we had Cobra helicopters during the first days of the Yom Kippur War, our situation would have been much better. They could have been used in the land battles and done great work. During the Yom Kippur War I fought as an assistant commander of an armored regiment on the water line at the Canal and I have no doubt that in the restraining battles at the beginning of the war combat helicopters would have changed the situation in our favor.

[Question] Today, 10 years after the Cobra helicopters entered service in the IDF, has the armored corps warfare doctrine changed accordingly?

[Answer] Every new element which we put into use changes something in the warfare doctrine. In the armored corps wide preparatory studies were made and in my opinion the "improved" doctrine has proved itself. In the war in Lebanon I commanded an armored brigade which fought in the central sector and I worked in close cooperation with the offensive helicopters. I learned to work with them during the battle. However, I learned a lot of lessons after the war. But with the view of a commander in the field and a general view, the battle helicopters have the most important influence on the warfare of the armored corps. One of the central mistakes of the armored corps during the Yom Kippur War was the assumption that the armored corps could do everything by itself. This conception has totally changed.

The nature of the battle of the future, which partially was applied in the War in Lebanon, is the combined battle of many elements where the most outstanding and newest element is the attack helicopter.

The armored corps officers must know how to operate the helicopters. We did this in the war in Lebanon and we must continue and deepen the connection between the land forces in general and especially the armored forces and the battle helicopters. In my soul I do not today see a battle or a war of one sort or another without the cooperation of offensive helicopter. As an officer I will demand them and I will do everything so that my command receives them.

[Question] In most of the modern armies in the world the armored regiments and squadrons of battle helicopters operate as one body; is there an intention in the IDF to add an offensive helicopter force to each division? What is your personal opinion on the matter?

[Answer] Over the past year I visited a number of armies in the world and discussed at length with officers who work on this system (mixed units of armored corps and offensive helicopters). In my opinion, it is impossible to compare their warfare conditions with ours. Also from the economic point of view it is groundless. Today already the officer of an armoured corps is bent under the weight of the elements he has to activate during the battle.

I, as an officer of a fighting armored force, would not want to have an offensive helicopter force under my command for all the fighting, from both the maintenance aspect and from the point of view of work load. I prefer to receive the force when I require it and according to the conditions that occur in the field and after the mission to release them for other missions. I am in favor of strong cooperation, but not too strong, in order to get the best from each other.

I am satisfied with the present form of cooperation. Before the battle I meet with the commander of the helicopter force and together we sit over the maps and plan the attack. The emphasis is on personal contact and thus strong cooperation has proved itself, both in the exercises and in the battle.

[Question] The armored corps, for its part, sees the helicopters solely as an assisting force, while the Air Force sees the helicopters as a "participating force." To which do you subscribe?

[Answer] The attack helicopters are not an assisting force. The helicopters participate in the battle no less than do the tanks. They definitely are not assisting. Cooperation, via the pre-planning of the battle between myself and the officer of the helicopter corps, is the best example that helicopters in the battle are complete partners in the joint battle arena.

[Question] Can a comparison be made between an attack helicopter and a tank in terms of fire power, precision, mobility, and survivability?

[Answer] It is very difficult to make a comparison. Attack helicopters enjoy the aerial dimension. In one onslaught the Cobra pilot can hit eight armored vehicles; this is powerful firing strength. However the firing systems in the tanks have also been improved. There is no doubt that an attack helicopter is quick, deadly and precise as an anti-tank means.

The Final Answer - to the Armored Corps

[Question] Is it possible that in future situations attack helicopters will replace tanks?

[Answer] Certainly not. Even if we ignore the economic aspect for a moment, the armored forces are those who in the end result determine the battle. In order to set facts in the field you have to physically control it. The final answer is still given by the armored corps.

[Question] In the War in Lebanon there were cases of heightened vigilance on the part of the armored forces after warnings of Syrian Gazelles. Why?

[Answer] During the War in Lebanon we met the Syrian attack helicopters for the first time. The principal effect was psychological. A defending force which I received for work in the area did an excellent job and increased the security and therefore, from the moment a Gazelle fell, we did not run into any more Gazelles. One of the lessons which we learned from the war was increased ability to identify our helicopters and the enemy's helicopters in order to prevent the mistakes and errors which are liable to occur during war.

[Question] As an officer of the Armored Corps School, is special coursework given today on the topic of attack helicopters?

[Answer] At all levels of study and in all the courses we have special chapters today on the subject of attack helicopters. At every stage the level of depth of the material increases. In the basic courses we teach identification of attack helicopters and in advanced courses, the course for company commanders, for example, we teach the officers the theory of cooperation and operation of combat helicopters in the area. We are aware of the fact, that the attack helicopters are becoming more and more an important element in the future battlefield.

[Question] In what type of battles is the influence of combat helicopters seen more? In attacking or in repelling?

[Answer] The task of the attack helicopters in the repelling battles is no less important, despite their name, than in offensive battles. Today we are teaching a developed theory of war in which all the lessons of cooperation with helicopters are learned. The more capable an officer in the field is at exploiting the helicopters, the better. Accordingly, their efficiency in battle will increase both in offense and in repelling.

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QATAR

PREPARATIONS FOR GENERAL CENSUS UNDERWAY

Doha AL-RAYAH in Arabic 16 Nov 85 p 7

[Interview by Muhammad 'Abd-al-Salam. "AL-RAYAH Interviews the Chief of the Central Bureau for Statistics on the General Census. Council of Ministers Decrees Full Cooperation with Census Takers"]

[Text] The Qatari population has multiplied more than eight-fold over the past 30 years. Estimates in 1950 put the population at 30,000 people, increasing to 50,000 by 1960 to 111,000 at the time of the first census in 1970.

The population of Qatar would have been around 180,000 in 1975 and 260,000 in 1980 according to a study by the Department of Economic Affairs (Census Bureau) of the Ministry of Trade and Economy, which made population estimates for the period 1971-1980 based on a rate of growth commensurate with the residential situation in Qatar as a region attracting population and on estimates by the census department of the Arab League which put the rate of population growth in Qatar, through birth and immigration, at around 8.9 percent per annum.

In his book "The Population of the Arab Gulf States," Dr Hasan al-Khayyat says that population growth in Qatar underwent two distinct stages--a period prior to 1950 when population growth was extremely slow because of a shortage in resources, making Qatar a population-expulsive rather than a population-attractive region such as happened in the 1950's. The other stage was a period of rapid growth following the discovery, production, and export of oil which turned Qatar into one of the population-attractive areas of the Arab Gulf. Its population increased at a compound annual rate of more than 6.5 percent in the sixties and around 9 percent in the seventies. Such an increase no doubt reflects the significance of incoming immigration and is in keeping with the pressing need for labor and expertise required by the country's current phase of rapid construction, rehabilitation, and social and economic development. From that perspective came Council of Ministers' decree #3 of 1985 to conduct a general census of the population, housing, and private establishments in Qatar.

The resolution mandated that the Central Bureau of Statistics undertake the census next March and every 10 years thereafter.

The resolution further mandated that the bureau be technically and administratively responsible for the count. It asked the owners and tenants of buildings and the owners or managers of private establishments to supply census takers with all requested information on the forms prepared for that purpose, to permit them access to documents in order to verify the data, and to refrain from removing or changing markings placed on buildings by census workers during the period of census preparation and implementation.

AL-RAYAH interviewed Mr Muhammad Ma'yuf al-Nu'aymi, head of the Central Bureau of Statistics, on the importance of this census and its applications.

Census Objectives

The head of the Central Bureau of Statistics says the general Census of population and housing seeks to tabulate the state's human resources and determine their economic, social, and demographic characteristics as well as available housing facilities in order to provide data for various uses by the state, organizations, and individuals. It also aims at preparing a base for ongoing statistics.

He said the census will be taken in one of two ways. The first is by actual count of individuals at whatever place they happen to be the evening of the census regardless of whether they live there permanently or temporarily. The other method is a theoritical census at which individuals are attributed to their permanent residence.

He said that each of those two methods has advantages and disadvantages and that was why planners for the 1986 general census have been careful to combine the advantages of both methods.

Applications of Census Data

Mr Muhammad al-Nu-aymi said that as a comprehensive information gathering program, the census of population and housing is the main source of national data needed to study the size, composition, and geographic distribution of the population. The results would also be useful for administrative purposes, to paint a picture of the number and composition of families, and quantify housing units and their available services.

The chief of the Central Bureau of Statistics pointed out in his interview that a number of indicators could be deduced from the census such as geographic distribution indicators of density and crowding and of national origin distribution in every municipality or quarter. Also to be deduced would be age and quantitative indicators of sex, the labor force and the extent of its contribution to the economy and the professions, the percentage and particulars of foreign labor, as well as indicators of population growth such as birth, mortality, and natural population growth rates.

Objectives of Building Census

Mr al-Nu'aymi says that the census will include a count of buildings and residential units in order to fully quantify and qualify these buildings' characteristics and their relationship to public service as well as to compile data on the kind, size and utilization of residential units, the extent to which families enjoy suitable lodging, the particulars on occupants of residential units, and other data.

He said the reason for including firms in the census is to gather, publish, and analyze statistical data on firms operating in the state during the census period in order to provide a general framework of their location and nature in order to facilitate the gathering of specialized statistics dealing with industrial production, distribution, etc.

Census Stages

The chief of the Central Bureau of Statistics says the census aims to gather all required statistical data on every establishment, family, and family member in the country. This is done in order to be all-inclusive without dropping some or over-counting others. A plan must be implemented to reach each of them in successive steps that start with the country as a whole then subdivide it into smaller administrative units such as municipalities, quarters, and blocks. The count will then proceed to the buildings on each block, the establishment and residential units in each building, and finally a data-gathering visit to each family or establishment.

He said that the state of Qatar is divided administratively into nine municipalities separated by clear natural demarcation lines. Each municipality is composed of several administrative quarters which have already been delineated and given consecutive numbers from 1 to 98. The municipalities are al-Dawhah, (al-Rayyan), al-Wakrah, Umm-Salal, al-Khawr, al-Shamal, al-Qhuwayriyah, al-Jumayliyah, and (Jaryan al-Batnah).

Al-Dawhah has been divided into 56 quarters each composed of 1,536 blocks. (Al-Rayyan) has 8 quarters of 462 blocks; al-Wakrah 5 quarters of 95 blocks; umm-Salal 2 quarters of 47 blocks, al-Khawr 2 quarters of 52 blocks; al-Shamal 3 quarters comprised of 16 blocks; al-Qhuwayriyah has 1 quarter of 16 blocks; al-Jumayliyah 5 quarters and 67 blocks, and (Jaryan al-Batnah) 6 quarters divided into 39 blocks. Therefore, the country has a total of 88 quarters divided into 2,343 blocks.

Five Census Operations

The head of the Central Bureau of Statistics said that the census is to be conducted in five stages the first of which was to delineate the quarters. The Bureau has prepared drawings and maps of each quarter which are to be verified in the field by working inspectors and complemented with geographic or architectural landmarks. This operation will take place from 13 to 17 November. The second operation is the mapping and delineation of blocks with the aid of prepared drawings and maps, again under the supervision of inspectors in the field. The borders of each block will be marked on the exteriors of buildings along with block and quarter numbers. This will take 27 days beginning December 1.

The third stage is to count and number the buildings and will take place after the administrative divisions in the country have been ascertained and each of their blocks numbered. An inspector would visit each block to determine its particulars, the number of its buildings, and its internal composition of residential units. This will begin 28 December and continue through next 24 January.

The fourth operation is to count residential units and families as well as count and number establishments. This operation will result in detailed, accurate information on the usage to which every building is put, in preparation for gathering statistical data on establishments. This will be implemented by controllers over a period of 15 days beginning March 8.

The last of the census stages, according to the chief of the Central Bureau of Statistics, is to count the population. By reaching every individual at his residence or wherever he might be the evening of the count. The census taker will gather detailed data on him, his family, and their housing situation. This is the culmination of and the basic purpose behind the other preparatory operations. It will be carried out 16-25 March 1986.

Mr Muhammad Ma'yuf al-Nu'aymi concluded his interview with AL-RAYAH by indicating that preliminary figures on the comprehensive census will be available by the end of May 1986.

He said that more than 1,500 government employees have been seconded to the census project and that they will be attending training seminars on the various stages of the operation.

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SAUDI ARABIA

AERIAL DISPLAY OVER RIYADH ANALYZED

London AL-TADAMUN in Arabic 7-13 Dec 85 p 13

[Article: "Prince Sultan Says to AL-TADAMUN: "Our Air Force is for Defense of the GCC""]

[Text] The aerial display on the occasion of the graduation of a group of 29 students from the King Faysal Air College in Riyadh this past Wednesday was not a normal event nor was it a traditional celebration. It was distinguished by important signs that gave pause to more than one source and other observers. Some touched on the critical situation through which the region is passing, others referred to the timing, which was coincident with a flight of F-15 and F-5 aircraft over the Saudi capital.

In the presence of AL-TADAMUN, a high level source commented on this occasion, saying that the aerial display by Saudi combat can be considered a show of force. It is not in keeping with the Saudi nature, which refrains from excitement. It is an affirmation by power of the right of the kingdom to draw a defensive framework around its security and the security of the states of the region. It is a manner of speaking that has taken on legitimacy given the Iran-Iraq war and the developments resulting from it, embodied in a practical form that would not be available to it were matters at the regional and international level not as they are.

Given this, the kingdom has proceeded--according to the source himself--during the past few years, to translate the issue of support for its military power into reality, concentrating on carefully studied channels in a comprehensive defense policy, taking into consideration new developments that occur in the region from time to time. King Fahd has repeatedly emphasized, concerning this matter, that "the kingdom that spends liberally to build its military power according to the most modern and contemporary technological systems will not hesitate to use this power to protect its air, land and waters."

Those who saw the aerial display, which was under the auspices of Prince Sultan ibn ´Abd-al-´Aziz, the second deputy prime minister and minister of defense and aviation, noticed the determination to emphasize the intention of the Saudi monarch to build the strength able to oppose any danger threatening the security of the kingdom and the region. Price Sultan ibn

´Abd-al-´Aziz reemphasized this vital matter in his reply to a question from AL-TADAMUN concerning the responsibility placed on the shoulders of the Saudi air force by the critical circumstances through which the region is passing. He said:

"The responsibility of our air force is the defense of our country, and, therefore, participation in the defense of the states of the GCC and the states of the Arab Gulf."

The Saudi minister revealed the existence of serious studies on setting up military industries by means of a general corporation for military industries, the establishment of which has already been decided. Further, there is a committee for industrialization, composed of a number of relevant ministers, in addition to creation of a higher committee for military industrialization in Saudi Arabia to evaluate and undertake advanced military industries.

If no observer has recorded his impressions of the important meanings of strategic calculations left behind in the sky by the Saudi combat aircraft, then observation may be made in the following directions:

First: The kingdom wanted to hold the customary celebration for the graduation of a new group of Saudi pilots to emphasize the position of its most important supporters, emphasizing that the principle of supplying advanced weaponry does not mean becoming involved in an arms race, if the expression is allowed, except in response to national defense needs. This has been imposed by the relevant regional conditions and crystallized by the important strategic position with which the kingdom is blessed in the regional and international arenas.

Second: If the power of nations is measured by the airplanes, tanks and modern weapons that they have, then the kingdom is a newcomer in this, unless the sphere of security exigencies for which it is responsible is included. The responsibilities it has that go beyond the boundaries of the kingdom to include the states of the GCC confirm this.

Third: Some have said that the flight of the F-15´s in an aerial display over the Saudi capital elicited amazement from those attending, intending by this to send a certain message, according to political practice. However, the fixed point in this concentrates on reassurance, not a symbol bearing a flag of provocation. Reassurance here means for the "states of GCC," and the Arab states. They feel that the threatening Saudi power is necessary power, a support for these states in encountering danger threatening them.

Fourth. The important significance of this event must not be ignored. It is that the Saudis were pioneers of moderation and constructivism in a policy of impartiality and exchanges of Arab compromise and continued movement toward distancing the region from the danger of international struggles and strong adherence to the flag of peace. It does not harm it that it cooperates with these channels by means of the language of the era based on building military strength able to "bend" its policy to embrace the Arab character and to address the super powers from a position of political and military strength necessary to return the Arab nation to a position of respect and to create a situation of reassurance for the Arab side.

Therefore...the situation of gulf security stands out as one of the most important details put forth for power in the states of the GCC, and it is a matter that the Kingdom of Saudi Arabia intends to continue to emphasize.

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SAUDI ARABIA

STEPS TO PROTECT SEA LANES DESCRIBED

London AL-SHARQ AL-AWSAT in Arabic 20 Nov 85 p 4

[Article by 'Abdallah al-Hajj: "Al-Sharq Al-Awsat Publishes an Exclusive on Saudi Plan To Fight Maritime Piracy and Fraud"]

[Text] To safeguard the economic interests of all Islamic states, Mr Muhammad Mahmud al-Mirdas, director of the international economic affairs office in the Saudi Foreign Ministry, submitted a Saudi working paper at the meeting of the Islamic Committee on Economic, Educational, and Social Affairs. (The committee was formed by the Islamic Conference Organization at its 12th session.) The working paper, which received the approval and applause of all Islamic states participating in the meeting and which was recommended by the committee for acceptance as a vital Islamic project that reconizes the economic interests of Islamic society, defines the rules of conduct for shipping-line unions, and offers advice on how to fight piracy and maritime fraud.

With regard to rules of conduct for unions and shipping lines, the expository paper notes that "shipping companies suffer numerous difficulties created by blocs of shipping line unions monopolizing much of sea trade. Indeed, some of the unions, especially those of Northern and Western Europe, expelled a number of shipping companies in order to control shipping, dominate freight prices, and impose their will on both the shipper and carrier."

Those countries that suffered the most as a result of this monopoly, in which more than 380 unions participated, were the developing countries. They ultimately raised their voices in the international forum concerned with maritime trade, especially the meeting of the United Nations Conference on Trade and Development (UNCTAD), where they demanded their fair share of shipping in order to break the monopoly of the maritime unions and the limitation on the continuous increase in shipping prices. By breaking this monopoly, the expenses pertaining to the exports and imports of the developed states would decrease and their economy would be boosted.

Out of this situation emerged the need for a new system which provides stability and regulation in the services of the organized international shipping lines. The rules of conduct for the shipping line unions appeared in writing through the UNCTAD. These rules aim at controlling shipping prices, treating the shipper and carrier equally, providing protection for the shippers and shipowners against the consequences of intense competition, and setting up a system of organized and continual shipping.

Contents of the Agreement

The agreement discussed the introduction of a national lines of maritime transportation, a shipping-line union, the shipper and a shippers organization, and the organizing of relations between the shipping lines and the shippers organizations. It also included the following: the relationship between the members of the shipping lines, how to join the union, participation in maritime transportation operations, the right of the national shipping line to transport 40 percent of the maritime trade, and the relationship with the shipper as well as shipping rates, measures by which they are defined, and incentive rates for shipping.

This agreement forces the shipping line unions to admit as members any national company of group of state companies, to accept their right of participation in transporting a share which amounts to 40 percent of the size of the maritime trade, to allow them to establish and operate an organized shipping line between the two states, and to determine the number of trips, their freight, and their value.

The Kingdom of Saudi Arabia notes the necessity of cooperation and coordination between the commercial fleets of the Islamic states, their participation in the shipping of a considerable share of maritime trade, and their fleets complementing each other in the event that the fleet of one of these states is unable to fulfill its obligation to transport all of its maritime trade share. Moreover, because of the Kingdom's desire to exchange information and data pertaining to the shipping unions, to their shipping lines, and to the type and size of goods traded among Islamic states, it calls upon the Islamic states to sign the document pertaining to the rules of conduct of the shipping line unions and to activate these rules in order to organize the movement of maritime trade, as they have been in effect since 6 October 1983, and the kingdom approved the protocol according to Law No M/52 on 12/22/1404 AH.

The Expository Memorandum

The expository memorandum on fighting piracy and maritime fraud notes that incidents of piracy and maritime fraud in the international arena have increased in recent years and have taken different forms and styles as a result of loopholes in international law. It is time to reexamine the quality of the measures and arrangements which must be carried out in order to face the increasing number of new challenges, provide solutions to them, and curb them.

The following are some of the methods employed in maritime fraud and piracy:

1. Nonadherence by some nautical companies to sound trade rules, for example, the filing of falsified and forged shipping documents.

2. Imitation of well-known trade marks.

3. A shipowner acting as though there were some disagreement between him and those who rented his ship in order to seize it and sell the freight per order of the port's administration for not paying the fees due.

4. Transporting the ship and selling it in another port, then faking a fire and announcing bankruptcy.

5. A shipowner raising shipping prices and demanding from importers payment of the difference under penalty of having their goods auctioned.

6. Insuring the ship and freight at an excessive and unrealistic value and then even going so far as to sink the ship and its cargo in order to collect a huge amount of insurance money.

7. Armed assault on ships or a mutinous crew seizing the ship.

Role of International Society and Recommendations

As a result of these widespread phenomena and their threat to the safety of ships, regional and international institutions and organizations have expressed their great interest in this subject and have undertaken studies, meetings, and workshops in order to acquaint themselves with the dimensions of the phenomena, find solutions that will restrict and limit their spread, and guarantee the interests of exporters, importers, and shipowners. The recommendations issued by those institutions may be summarized as follows:

1. Studying the difficulties facing shipowners, insurance companies, marine brokers, and banking officials, then issuing set instructions pertaining to the protection of commercial and industrial interests.

2. Cooperating at the national, regional, and international levels by taking suitable measures against the increase in the acts of maritime fraud and piracy, measures which will not be incompatible with international the safety and flow of trade. This may be done by:

a. Scrutinizing the accuracy of documents pertaining to shipping operations, exports, and banking and insurance transactions.

b. Increasing maritime trade awareness on the part of those concerned and appointing qualified persons to suitable positions.

c. Avoiding dealing with open-registration ships because of their lack of qualifications and the lack of qualifications of those who work on them.

d. Reconsidering local laws pertaining to the registration of ships and to transfer of owners and working to improve them; scrutinizing ship documentation in order to avoid open-registration fraud and overseeing the national fleet's activities.

3. Urging member states of the IMO to implement their agreements and treaties in order to raise the efficiency and capability of the ships and those working on them.

4. Advising exporters and importers to deal with national shipping companies.

It is worth mentioning that the International Chamber of Commerce opened an international marine office in London on 5 January 1981 to collect, provide, and exchange information pertaining to maritime fraud and acts of piracy. This office is composed of representatives of shipowners, banks, insurance companies, exporters, importers, and maritime organizations and institutions. It also publishes periodicals for all the states on the ships and companies embroiled in such operations.

Conclusion

International society, represented by UNCTAD, is preparing a bill on maritime transport which includes all means of fighting maritime fraud and piracy. Until this bill is completed, approved, and carried out, anu cooperation at the regional or semi-regional level in this regard is considered a positive step toward terminating these phenomena.

It is worth mentioning also that the Cooperation Council of the Arab Guld States (GCC) has considered several steps and recommendations in this regard. They may be pursued at the level of the Islamic states. They are summarized in the following points:

1. Establishing an Islamic center of information to provide and exchange information related to acts of piracy and maritime fraud among the Islamic states.

2. Preparing basic principles for ship registration.

3. Drawing up necessary conditions for licensing shipping companies and institutions to practice maritime transportation.

13035/12951
CSO: 4404/81

SAUDI ARABIA

TELECOMMUNICATIONS IN EASTERN PROVINCE

Riyadh AL-RIYAD in Arabic 5 Oct 85 p 2

[Article from SPA: "175,000 Telephone Lines, 3,596 Telex Lines and 1,369 Mobile Phones Operating in Eastern province"]

[Text] By the end of the month of Dhu al-Qa´dah, 1405, the total number of telephone lines operative in the communications region of the general administration of the Eastern Province, including al-Dammam, al-Ihsa´, al-Jubayl, al-Jawf and ´Ar´ar, had reached 175,489 lines.

Further, 3,569 telex lines, 1,399 mobile phone lines and 971 pay phones were in operation in all areas by the same date.

´Abdallah ´Abbad al-´Abbad, the director general for communications for the Eastern province reported this. He said that the total number of telex messages sent in all areas during the period mentioned numbered 317,309, of which 170,462 were domestic and 146,847 international. The income from these messages amounted to 8,524,424 riyals.

Al-´Abbad explained that the number of lines operative in the district of al-Dammam by the same date reached 111,111 and the number of telex lines reached 2,954. There were 1,203 mobile phone lines and 532 pay phones.

He added that the district of al-Dammam includes 24 exchanges and 9 booths for international calls. The percentage of installations within 24 hours was 38.2 percent, exceeding the official goal of 30 percent. The failure rate per 100 operative lines was 2.5 percent, and the average monthly income from telephone operations was 1,700,000 riyals. The total number of telegrams, both domestic and international, sent and received by the public was 820,513.

In the district of al-Ihsa´, there were 130,436 telephone lines operating by the same date, and there were 42 telex lines and 175 mobile telephones.

Further, there were 129 pay phones. The percentage of installations within 24 hours was 79.92 percent, and within 7 days was 99.68 percent, compared to the goal of 95 percent. The percentage of failures repaired within 8 working hours reached 88.95 percent, compared with the goal of 82 percent. The rate of failures per 100 operating lines reported was 4.24 percent, compared with the goal of 5.3 percent. The rate of failures per 100 lines reported for the international phone network was 4 percent, compared with a goal of 6 percent. The percentage of bills distributed within 5 days was 100 percent, compared with a goal of 95 percent. The number of calls from phone booths during the same month was 19,203.

Income from telex use was 259,697 riyals, and the total amount received from pay telephones was 261,739 riyals. Income from telegrams amounted to 44,324 riyals. There were 4,113 incoming and outgoing telegrams.

Al-ʹAbbad explained that the district of al-Jubayl had 8,609 telephone lines operating in the industrial city of al-Jubayl by the end of Dhu al-Qaʹdah.

There were 133 telex lines in the civil organization of al-Jubayl and Yanbuʹ. There were 210 pay phones in the district and 4 exchanges, with a total capacity of 60,700 lines, and 6 phone booths for international calls. The percentage of installations within 24 hours reached 35.6 percent. The percent of failures repaired within 8 working hours was 68.3 percent. One hundred percent of the bills were distributed within 5 days. The average monthly income from pay phones was 29,000 riyals.

The general director of communications for the Eastern province pointed out that the district of al-Jawf had 14,864 phone lines in operation by the same date, spread over 7 exchanges. There were also 134 telex lines and 21 mobile phones in al-Qirat and Sakakah.

There were 62 pay phones. The percentage of installations within 24 hours reached 93.76 percent. The percentage of failures of lines within the district repaired within 8 hours reached 98.6 percent. One hundred percent of the bills from the previous period were received.

Al-ʹAbbad mentioned that the district includes 212 employees, counting the administrators. The district of al-Jawf includes a number of technical and administrative buildings designed according to the most advanced architectural specifications in most of the centers of the district. Planning is currently under way to construct other buildings for mobile phones in al-Qirat and Sakakah. The district has cooperated with the relevant governmental offices to supply all of the services to the pilgrims to Mecca arriving by roads from the north of the kingdom. It undertook to build a temporary center for reception of telegrams and telex messages and telephone calls, as well as setting up a number of temporary pay phones to provide international communications between the pilgrims and their families. An exchange is currently being put into operation for Sakakah, Qarah and Tabrajal and a modern microwave link from the public electricity network. This will be extended soon to the exchange for the district, which will require great efforts for maintenance and fuel. There has recently been completed in the district of al-Jawf a control system for the cable lines using a computer to cover the exchanges of Sakakah, al-Qurayyat and Dumat al-Jundal. This is to prevent failure of the cables and to control them to provide modern service to the subscribers. Repair center 904 was completed in Sakakah, where one of the computer systems was put into operation to examine the subscribers´ lines. Further, a project was completed to construct a center operating in cooperation with maintenance centers in al-Dammam, Riyadh and Jiddah, where four new phone booths have been built in the past year in a program of telephone expansion in the district, the total cost of which is 1 million riyals.

These booths provide service for 450 subscribers. Planning is currently underway for construction of 8 other booths to join in providing service to more than 1,800 subscribers, at a total cost of 2 million riyals.

Al-´Abbad explained that the number of telephones operating in the district of ´Ar´ar by the date mentioned was 9,469. There were 106 telex lines and 83 pay phones. The district includes 3 exchanges with a total capacity of 11,776 lines in each of ´Ar´ar, Tarif and Ruha´.

Telephone service reaches the other cities of the province, including the cities of al-´Uwayqilah, al-Jadidah and Linah by a microwave network. The district of ´Ar´ar includes 60 booths for the telephone network and 3 booths for international calls in ´Ar´ar, Tarif and Ruha´. In addition, the district of ´Ar´ar includes 15 telegraph centers. Al-´Abbad mentioned that the number of subscribers to the marine communications station in al-Dammam had reached 164 by the end of the month of Dhu al-Qa´dah.

12780/12781
CSO: 4404/130

SAUDI ARABIA

NEW ROADS PLANNED FOR EASTERN PROVINCE

London AL-SHARQ AL-AWSAT in Arabic 9 Nov 85 p 4

[Text] Sami Fudah, director general of the Roads Administration in the Eastern Province of Saudi Arabia, announced that the department is currently implementing several one-lane, two-lane, and express road projects to connect cities and villages in the Eastern Province. The total cost will amount to 637 million riyals.

These projects include the following roads:

The al-Qashlah--Dhahran airport road at a cost of 49 million riyals.
The Dhahran--Port of Dammam road at a cost of 107 million riyals.
A section of the port of Dammam road at a cost of 42 million riyals.
The Abu Hadriyah--al-Na'iriyah road at a cost of 61 million riyals.
The eighth section of the Dammam-Riyadh road at a cost of 197 million riyals.
The sixth section of the Dammam--Riyadh road at a cost of 155 million riyals.
The al-Ihsa' airport road at a cost of 26 million riyals.

The director general of roads administration in the Eastern province pointed out that at the end of the third 5-year plan the total distance of the road networks in the Eastern Province reached 3,885 kilometers, including one-lane, two-lane, and express roads. The total cost amounted to about 3.852 billion riyals.

Sami Fudah stated that the ministry is now studying numerous projects for establishing new roads, concentrating on solving bottlenecks and facilitating the movement of travelers and transportation between the various cities and villages of the Eastern Province.

In the area of maintenance, he said it had been taken into consideration to establish intensive programs for maintaining the roads in the province. He said that during the first year following completion of the project and opening it to traffic, the maintenance will be the responsibility of the contractor because the regulations of the Ministry of Communications stipulate that the contractor must guarantee any project for at least a year.

At the end of the one year guarantee the project is finally turned over to the maintenance department of the Ministry of Communications who, with the assistance of the roads administration, will conduct consecutive technical survey operations on the various roads to insure their safety and to determine the type of maintenance work that would be required.

12496
CSO: 4404/97

HELICOPTER BASE IN MUNA OPENS

Riyadh AL-RIYAD in Arabic 15 Sep 85 p 2

[Text] Yesterday, Saturday, His Royal Highness Prince Majid bin ʹAbd-al-ʹAziz, governor of the emirate of Mecca and chairman of the central pilgrimage committee, opened a helicopter base in Muna near the Hajj stations.

His Highness Prince Majid arrived by civil defense aircraft and made a tour of the base. Then he and senior guests were honored with a celebration by the directorate general of civil defense. The celebration began with a reading from the Koran, then a speech by the director general of civil defense, Maj Gen Hashim Muhammad ʹAbd-al-Rahman. In the speech he welcomed His Highness Prince Majid and all those present and referred to the arrangements and accomplishments of the ministry of interior in the area of helicopters. He stated that the helicopter formations under the directorate general of civil defense correspond to and are compatible with the most advanced and most modern civil defense systems in the world. Maj Gen Hashim said that the use of helicopters in civil defense began in 1397 H. and today covers the whole Kingdom of Saudi Arabia from four bases in Riyadh, Jeddah, Dhahran, and Khamis Mushayt. He said that the government of his majesty the king was eager to build this base so that it would serve the pilgrims to the Kaʹabah. The government is devoting special attention to serving them and taking care of their needs in recognition of its responsibility for providing service to Mecca and Medina and for providing service to the pilgrims to Kaʹabah and facilitating their journey to these holy places.

Then the director of the helicopter department, Lt Col ʹAtiyah al-Ghamidi, made a speech in which he outlined the objectives of building the five bases and described the aircraft landing pads, maintenance workshops, operations rooms, offices, clinics and other similar services.

Lt Col ʹAtiyah al-Ghamidi stated that the kingdom is anxious to offer all kinds of recreational activities to the relatives of those employed in public security and the military sectors. He mentioned that these aircraft had demonstrated their usefulness for their basic missions. These project has been expanded to cover [other areas in] the Kingdom and to include more advanced aircraft. There are five aircraft for fire extinguishing and rescue operations and three first-aid aircraft equipped with operating rooms in which surgery is performed on the sick and those injured in traffic accidents, etc. These aircraft are air-conditioned and have all the medical equipment used in emergency rooms, such as EKG, respiration equipment, etc. They can carry four patients at one time. There are two command and control aircraft equipped with television cameras to report the situation to the commanders in the aircraft. They are also equipped with a communications network through which information and situation reports can be passed to operating rooms on the ground.

Lt Col al-Ghamidi said that 42 pilots and 158 aircraft technicians and other specialists are undergoing training abroad. This base has the capacity to operate ten aircraft at the same time, with all their flight crews, technicians, and medical teams.

Lt Nayif al-Harbi, a pilot, recited a Nabatean poem, then there was an air show of some of the functions of the helicopters. Afterwards, His Highness Price Majid drew back the curtain. Then senior officials rose to accompany him on a tour of the base installations. At the end of the celebration His Highness Price Majid said, in a statement to the press, "The helicopter services in civil defense have undergone unusual development and have made great progress. The aircraft are equipped with the latest equipment, and are far superior to their counterparts in the world. I am delighted that all those working with the aircraft are young Saudis who carry out their duties with complete precision and full devotion. Indeed I commend all the officials in this field for their efforts. Chief among them are His Highness brother Prince Nayif bin ´Abd-al-´Aziz, minister of interior; and His Excellency brother Hashim ´Abd-al-Rahman, director general of civil defense, whose efforts have clearly yielded this huge achievement. I want to commend the men of the civil defense for the excellent job they are doing whether in the fields of fire, safety or rescue. They are doing work that I can say is heroic and extraordinary, and I wish them the best fortune and success."

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PEOPLE´S DEMOCRATIC REPUBLIC OF YEMEN

ECONOMIC, TECHNICAL COOPERATION WITH CUBA

Aden 14 UKTUBAR in Arabic 24 Sep 85 pp 1, 3

[Text] Comrade Dr Yasin Sa´id Nu´man, member of the Central Committee, deputy prime minister and minister of fish resources, in his meeting yesterday morning with Comrade Jorge Fernandez, Cuban minister of the fishing industry and head of the Cuban side on the Cuban-Yemeni economic commission, discussed forms of economic and technical cooperation and the field of fish resources. Comrade Yasin Sa´id Nu´man praised the aid rendered our country in various fields by the Socialist Republic of Cuba.

For his part, Comrade Jorge explained satisfaction both with the efforts made by the Ministry of Fish Resources modern methods of fishing and with the progress of the joint commission.

On another matter, the proceedings of the seventh session of the joint commission for economic and technical cooperation between our country and Cuba got under way yesterday in the Ministry of Planning building.

Comrade Dr ´Abdallah Ahmad Bukayr, member of the Central Committee, minister of health, and head of the Yemeni side on the commission, spoke at the opening session. He said this meeting is considered a step toward the development and strengthening of bilateral relations between the two countries in various fields. He voiced appreciation for the great support given our country by the Socialist Republic of Cuba.

For his part, Comrade Jorge Fernandez, minister of the fishing industry and head of the Cuban side, expressed deep satisfaction with the welcome and friendly reception given him.

He asserted that the coming days would witness serious and fruitful action to carry out the tasks assigned to the commission by the leaders of the two countries.

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PEOPLE´S DEMOCRATIC REPUBLIC OF YEMEN

AGREEMENT TO FUND ADEN PORT DEVELOPMENT

Aden 14 UKTUBAR in Arabic 26 Sep 85 p 1

[Text] Comrade Eng Haydar Abu-Bakr al-´Atas, member of the political bureau and chairman of the Council of Ministers, welcomed in his office yesterday Shaykh Nasir al-Nuways, deputy minister of finance of the U.A.E. and director general of the Abu Dhabi Fund for development now visiting Aden. A number of matters concerning cooperation between our country and the fund in the field of economic and social development were discussed during the meeting. Among those present was Comrade ´Abdallah Sa´id Abdan, deputy minister of planning.

A loan agreement between our country and the Abu Dhabi Fund for Development was signed. It calls for the fund to contribute to the financing of a project to develop the port of Aden in the amount of 37 million emiri dirhams ($10 million). Comrade Salih Abu-Bakr ibn Husaynun, member of the Central Committee and minister of communications, called attention to the fund´s share in developing and enlarging the port of Aden, explaining the importance of the project in loading and unloading operations and in strengthening the role of the port and its participation in the national economy.

The head of the delegation Shaykh Nasir Nuways, deputy minister of finance and director general of the Fund, expressed satisfaction with what has been achieved in our country, pointing to the role of the port in subsequent development.

It is worth noting that the project for enlarging and developing the port, that will cost $80 million in the first phase, includes contributions from the Saudi and Kuwaiti funds in the amount of $30 and $20 million respectively, in addition to the Abu Dhabi Fund, which contributed $10 million. The first phase of the project involves a pier 900 meters long that will consist of various wharfs for general goods, structures and silos for grains, and roll-on-roll-off ships, also dredging and deepening the channel in front of the wharfs, creating landfills as construction areas, creation of plazas, studies and training.

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PEOPLE´S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

SECOND PHASE OF MUKALLA PORT--An agreement was signed yesterday afternoon in the Yemeni Port Authority between the authority and the public organization for installations and industrial structures to carry out the second phase of the port of Mukalla (Khalaf). According to the agreement, the public organization for installations and industrial structures is to carry out the second phase of the project estimated to cost 4,853,753 dinars. It will include paving the open spaces and improved area, extension of water and electricity lines, creation of repair shops, roofed passages, and a fire station, and building of a watch tower--all this in addition to exterior activities. The agreement was signed on behalf of the Yemeni Port Authority by Comrade Zubayr Ahmad ´Ali ´Id, director general of the authority, and on behalf of the public organization for installations and industrial structures by Comrade Ghazi Ahmad ´Ali, director general of the organization. [Text] [Aden 14 UKTUBAR in Arabic 2 Oct 85 pp 1,8] 5214/12781

COOPERATIVE FISH PRODUCTION--The value of cooperative sector [fish] production will increase 9 percent from 5.5 million dinars in 1984 to 6 million dinars in 1985, i.e., an increase of 0.5 million dinars. Its relative importance will decline 33.4 percent of the total value of fisheries in 1984 to 32.3 percent in 1985, while the value of private sector production will amount to 3.8 million dinars in both 1984 and 1985, its share thereby declining steadily from 22.6 to 20.2 percent. [Text] [Aden 14 UKTUBAR in Arabic 29 Sep 85 p 5] 5214/12781

CSO: 4404/109

INDIA

WRITER ANALYZES U.S. PERCEPTIONS OF INDIA

Bombay THE TIMES OF INDIA in English 29 Nov 85 p 8

[Article by A.S. Abraham]

[Text] He was a very senior official at the south Asia desk in the state department in Washington. He played a not unimportant role in the U.S.-Pakistan 1981 negotiations whose outcome was the five-year, 3.2-billion-dollar U.S. arms and economic aid programme for Pakistan. When I met him in his office, he spoke glowingly of Rajiv Gandhi and of India, "a success story." Indira Gandhi had, of course, laid the basis of better Indo-U.S. ties, so there was a "continuity" in policy, no sharp break. But Rajiv "brings a change of tone and attitude, not in direction." Furthermore, "he is not disagreeable," allowing for the "possibility that he will change his mind."

Some days later, I met him again in the informal and relaxed atmosphere of a dinner-party. When the conversarion turned to discussing the prospects for indo-U.S. relations, he spoke very differently. When another American present said that India had long ago become "a fully subscribed and paid-up lackey of the Soviet Union," the state department man not only agreed, but joined his compatriot in launching a full-scale assault on India's "so-called" non-alignment.

But when, wearing his official cap, he had earlier spoken more guardedly of how India was perceived, he had not been hypocritical. For official America is ambivalent about Rajiv Gandhi's India. Expectations have been raised in the hope that a leader with his background, instincts and training which are seen to have cast him in so westernised a mould, must by his very nature gravitate towards a closer and less troubled relationship with the U.S. That is how his first policies and moves were interpreted.

Doctrine "Tilted"

But the expectation is not a little tinged by uncertainty. For India, while remaining a democracy, has been steadfast in its non-alignment, despite American accusations that its practice of this doctrine is "tilted" towards the Soviet Union. On Afghanistan in particular, India is charged with "choosing to turn its back" on a vital issue. Under Mrs Indira Gandhi, of whom American officials speak with a formal respect that only barely hints at how difficult they found it to deal with her ("intimidating" is the adjective they favour), they felt they had got about as far as they could when she began to repair the relationship between the two countries with her visit to the U.S. in 1982. The good personal chemistry between her and President Reagan had helped, but the backlog of mistrust was still too huge.

With Rajiv, especially during and immediately after his U.S. trip last June, an opportunity was seen to have presented itself to make a fresh start. He had begun "by doing all the right things" and, with a little help from the Americans, could be expected to do more. Interestingly, this time it was not so much the Democrats, long sympathetic to India, who were keen on fashioning a new U.S. approach as "thinking conservatives, mainly Republican," who were previously neither much interested in nor especially well-disposed towards this country.

While political ties will overtly manifest how or whether things are improving, it is the economic and military links that, to quote an official involved in framing the new policy, will constitute the "meat" of the Indo-U.S. relationship. Here, according to a high-level defence and policy planning source, the U.S. objective is, through closer interaction with another democratic state that must, for that reason alone, "surely be a friend who shares our interests," to reduce what is politely called India's "unconscious dependence" on the Russians." Cheap Soviet arms aid to India is held to be of real value in helping to achieve New Delhi's "conscious" goal, viz., "the best defence of the country for the money spent." But it is also believed to have set up an "unconscious Soviet magnetic field" of political and ideological attraction.

The U.S., now that it might be given the chance, hopes to offset this attraction through the offer of alternative and superior technology. "The beginnings of a defence dialogue" are already to be seen, high-level military and economic exchanges have taken place regularly, the U.S. considers itself best suited to help usher in the computer revolution Mr Rajiv Gandhi has set his heart on, and while India has yet to be perceived by American businessmen as attractive for foreign investment, it is felt to be becoming more so.

Global Dimension

Regionally, the framework of U.S. policy is that although Afghanistan apart "south Asia doesn't count for us to the same degree as other areas like south-east or north-east Asia," it is also, relatively speaking, tension-free in superpower terms and is worth keeping that way, with India as the naturally predominant power. The global dimension of this policy is that as India becomes a world leader industrially, militarily and technologically, it would be very much in the U.S. interest to have helped it attain that stature.

Pakistan is acknowledged as an important factor in Indo-U.S. ties, but not the "touchstone." U.S. arms and economic generosity towards Pakistan is defended casually in Washington: "Pakistan needed reassurance after Afghanistan and we gave it." However, the U.S. wants no repetition of the security pact of the fifties which "encouraged Pakistan to take on" India in 1965. The F-16s had to be supplied because they were "a symbol to the Pakistanis of our willingness to give them a high place on our agenda." As for Pakistan's nuclear ambitions, "it is our belief that, because of our assistance, we have effectively limited Pakistan's nuclear programme." Where the U.S. has identified its objections to Pakistan having gone too far in this area, the latter has "honoured our objections."

Would Pakistan object to U.S. attempts to court India? On the contrary, according to a member of the U.S. secretary of state Mr George Shultz's policy planning staff, there has been nothing less than a "historical change in Pakistan's perception of his issue. It knows it stands to benefit from good Indo-U.S. ties." Another official, less extravagantly, said that if Pakistan did protest, "It could be handled." To a third, U.S. relations with India and Pakistan are "not a zero-sum game." America wants to and can have good ties with both. If the U.S. has occasionally been seen to be particularly warm to Pakistan, that is because "the Pakistanis have to be told regularly they are loved."

The U.S. interest in keeping south Asia stable could not be served without close American bonds with both India and Pakistan. So far, Pakistan had been the main focus of attention, largely because India had been keeping the U.S. at arm's length. Now that India was prepared to get a little more friendly, the U.S. would be only too glad to reciprocate. And unlike with Israel and the Arabs or Greece and Turkey, working for better Indo-U.S. ties would not only not put Pakistani backs up, but would be applauded by Islamabad.

Sophisticated Arms

Needless to say, there are elements in the U.S. administration, especially in the Pentagon and the DOD (department of defence) who do not want to see any new flowering of the Indo-U.S. relationship. A senior executive on a major armaments firm trying to sell sophisticated weaponry to India said that promoting India's case in the U.S. defence establishment is "like pushing a wet noodle uphill." No less graphically, he said that "the only significant place in the U.S. establishment where opposition to India remains is in the bowels of the Pentagon bureaucracy." Although especially since Rajiv Gandhi came to office, there had been a "sea-change in the U.S. attitude to India," it would not be easy to overcome such residual gut antagonism.

A high-ranking DOD member on the policy planning side, himself very sympathetic to India, confirmed the existence of these hardliners who, he said, fell into four categories. One was the "India-is-a-hopeless-case" school which believes that the only reason India hasn't joined the Warsaw Pact is that it "lacks the nerve." This group was jubilant when Rajiv Gandhi went to Cuba before going on to New York for the UN 50th anniversary meeting, and even more so when he unexpectedly called on Mr Gorbachov on his way back home. As one hardliner put it, it only showed how "chicken-shit" he was that, after meeting President Reagan, he had to pay obeisance to the Soviet leader.

The second category was pro-Pakistanis who believed that for the U.S. to cozy up to India which had been so cool towards America for so long, would be to "betray" Pakistan which had been so steadfast an ally. The third included those who had security objections to dealing with India because they feared it could not protect confidentiality. Finally, there were those who felt that American interests dictated that India should not be allowed to dominate the region.

Rajiv Gandhi's address at the UN disappointed some sections of the Reagan administration who expected him to worry less about trying to project himself as a third-world leader in the making. Compared to the enthusiasm with which official America greeted him before, during and immediately after his June visit, there is greater circumspection now. Will things really change? Or is he creating only the illusion of change? The Americans are waiting and watching. Their honeymoon with him is all but over. It is time to examine the reality behind the image.

/9317
CSO: 4600/1237

STOCK EXCHANGE PRESIDENT ON U.S. INVESTMENTS

Madras THE HINDU in English 21 Nov 85 p 28

[Article by S. Ramaswami, president, Madras Stock Exchange]

[Text] The American involvement in the post-independent industrial development of India has been far less than desired. The government-to-government aid has become restricted due to many compulsions, most of them political. Private investment of multinationals in India has again been not appreciable, following the rather cautions (rightly so) approach of the Indian Government all these years. The way these giants have operated all over the world--purely on mercantile considerations--would make any host country wary of opening the floodgates for them to exploit its market.

India does need appropriate high technology and the investment to go with it, but any destabilising effect such investment may create in its economy will have to be avoided. While the U.S. Government is looking for a fundamental shift in India's external policy, many American firms would expect to be allowed to exploit the vast Indian consumer market.

Another area of investment in India proposed by a few U.S. investment houses following the change in the distribution of economic power in the world in the last few years relates to direct investment in equities. The following observations are based on the recent discussions an Indian financial services delegation had with large American investment management groups and also on materials provided during the visit. While the average equity investor in the U.S. would like to restrict his investment to known local companies, many investment bodies are already looking for global investment opportunities.

Dominant tax-free funds

The tax-exempt U.S. funds and institutions constitute a dominant force with their enormous resources in the U.S. equity market. Many retired Americans supplement their social security income with an extensive private pension system, the funds for which are provided by the corporate sector and the Federal, State and even municipal agencies. Company and government pension and retirement (PF) funds account for the largest single block of share investment money in the U.S. There are other tax-free asset accumulations like employee savings and profit sharing plans, individual retirement plans, mutual funds, endowments, trusts and foundations. In India too, there are similar tax free accumulations like the PF, PPF and trusts except that they are not allowed to invest in equities. An exception is the monopoly Unit Trust.

The total assets of the tax-exempt institutions in the U.S. are estimated at about $1.25 trillion (Rs 1500,000 crores) as of now. These grow at an annual rate of about 10 percent. The breakup of their investment is as follows: 5 percent in U.S. properties, 35 percent in fixed interest securities of governments and government agencies, 10 percent in short term investments like treasury bills and commercial paper, and a walloping 50 percent in equity shares. Thus the investment in common stocks by these institutions exceed $600 billions. It is one third of the market value of all U.S. equity shares, placed at about $2 trillion.

Who manages these investments, these stock assets? Not government agencies, but hundreds of professional investment organisations. They compete aggressively and intensely on the basis of achieving a satisfactory investment performance for clients' total return, consistent with their criteria of risk. Therefore, there is relatively a high rate of portfolio turnover, accounting for at least two-thirds of all trading volume in the American stock markets. In India, the volume of trading is mainly on account of short term speculators, aided by the system of extended settlements. Institutions on the other hand operate in fits and starts, contributing further to the distortion in the markets.

The forces that control the $600-billion equity assets in the U.S. are hundreds of professional investment organisations. These may be an arm of a commercial bank, insurance company or other advisory organisations, either independent or attached to large security houses and investment bankers.

The rise of smaller groups

Of late, there has been a shift in the management of these funds. Many independent investment organisations and advisers are managing more and more accounts at the expense of banks and other bodies. The reason is that many smaller groups have turned out better long term performance than bank-managed funds; without the constraints felt by the larger organisations, the managers of the smaller groups have been more resourceful and are better paid.

What is the relevance of all this analysis to India? For this, one must first look at the changes taking place on the U.S. equity investment scene itself, so that the impact becomes self-evident.

Contrary to common belief, the present day American is less venturesome than perhaps the average European, Japanese or even Indian. This is because he has everything he wants in the U.S. itself. The same has been with investments. Historically, the vast tax-exempt institutions have had a miniscule portion of their investments in foreign equities. There has, in the last five years or so, been some rapid increase in foreign investment holdings, but they still constitute three percent of the total equity investments or less than about $20 billions.

The main reason for the low figure is that more than half of the worldwide equity investment has been in U.S. stock itself. There is a very broad spectrum of U.S. industry sector whch enables the necessary diversification required in any portfolio management. Further, since the U.S. has been self-sufficient in investment opportunities, the capability of many fund managers to operate globally has also been limited, unlike the British who have traditionally been worldwide traders with colonial ties and also limited investment opportunities at home. Further, non-U.S. markets, except of course Japan and the U.K., have always presented problems of liquidity, availability of information, local laws and other constraints even for the few exceptionally venturesome U.S. investment funds.

However, out of necessity, their attitude of indifference to equity investments abroad is changing, assert the American fund managers. Many investing funds and their managers are aware of the impact of worldwide developments on the U.S. economy and the smug isolation is giving way to some uneasiness. They have started taking a hard look at the outside equity investment opportunities with equal or possibly greater attractiveness.

The growth of foreign investment markets is also likely to be faster than opportunities within the U.S., as the world economic power is getting distributed among various nations. The inroads made by the Japanese in many areas of manufacturing dominated by the U.S.--for instance, steel, automobiles, electronics, telecommunications and robotics have forced some rethinking. Given these economic realities, the fund managers are looking for investment opportunities in equities worldwide, apart from Japan. They have already made some progress in countries like Hong Kong and more recently in Taiwan and Korea. Some of these countries did not have even an organised stock market till recently. China is another country of interest and reports of Chinese interest in stock markets have been appearing periodically.

India has so far not permitted portfolio investment by foreigners. The non-resident schemes have not been a success; the remittances from West Asia have been for investment in deposits and property. The average Indian American as an individual is basically oblivious to equity investment in India, blissfully chasing his own American dreams of a bigger house, a membership in the country club and fuller Americanisation.

The new awareness about India created by Mr Rajiv Gandhi's economic policies has helped fund managers to have a closer look at equity investment in India and the stock markets. The PE ratios of Indian stocks are attractive, even after the recent phenomenal boom. The relative political stability, the open declaration of taking India to unforeseen heights by the end of the century, the willingness to experiment, a well developed stock market, the basically thrifty nature of the society, the exceptionally high credit rating of India in the world money markets, are all viewed as positive features for American equity investment in India.

Scope for selective scheme

Will the Indian Government ever allow foreign investment in Indian equities? The spectre of brash intervention in Indian stock markets by such forages of foreign fund managers will produce a reactive 'No' from many. On the other hand, uncontrolled optimism without considering carefully the repercussions could ruin the stock markets and capital markets built over the past hundred years. Between the two extremes lies a golden mean whereby a proper selective scheme of allowing equity investment by foreigners could be considered by the Government. The mechanics of listing and trading could be worked out. A few Indian companies may get listed on American Stock Exchanges. A simple procedure may be to have a depository scheme to issue American securities for underlying Indian shares and thus create a market for Indian shares abroad. The possibilities of having mutual funds that could invest in Indian equities (these funds themselves could be listed and traded in U.S. and other markets) could be considered. Similar experiments have been successful in other countries.

The idea of opening up Indian capital markets to foreign investors is new. But with the opening to non-resident Indians, many of whom not having Indian nationality, the first step has been taken already. The present Government may not be averse to examining any new proposal, however outrageous it may appear to start with. It may after all be less revolutionary than reducing taxes.

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INDIA

UNION CARBIDE 'DIRECTLY RESPONSIBLE FOR BHOPAL'

Bombay THE TIMES OF INDIA in English 30 Nov 85 p 8

[Editorial]

[Text] The Madhya Pradesh government has at long last made its eagerly awaited submission before the N.K. Singh inquiry commission on the Bhopal gas catastrophe. In its 16-page statement the state government has made a scathing indictment of the Union Carbide Corporation (UCC), the U.S.-based parent of Union Carbide India Ltd. The statement is significant in that it raises the level of discussion on the causes of the Bhopal tragedy last December in which 2,500 were killed and several times as many were maimed. It also makes some important points about corporate responsibility. The state government has contended on the basis of evidence that the root cause of the accidental release of over 40 tonnes of methyl isocyanate and the associated products of its decomposition lay not in operator error but in flawed operating and maintenance practices, poor quality of many critical pieces of equipment and, most important, faulty design of the plant. It has stated that UCC must be held responsible for installing a plant of inferior design in Bhopal and for specifying the practices and procedures for its running, which led to the catastrophic gas leak.

As the results of a number of investigations into the causes of the gas leak have demonstrated, there is just no legitimate way the UCC can wriggle out of this responsibility or try to pass it on to its Indian subsidiary, or suggest, as it has done, that saboteurs were at work in the plant. For the plain fact is that UCC and not its local subsidiary made all the crucial decisions pertaining to the process employed in the plant, the equipment it would use, the way it would be run and maintained. The American chemical firm, not UCIL, was in possession of all vital information not only on the plant's disposition and potential or actual flaws in it, but also on the hazards posed by MIC and other toxic chemicals produced, used and stored in the factory. Indeed UCIL's role in the running of the plant was basically passive in relation to UCC's. It was UCC, not UCIL, that took the critical decisions to compromise on the quality of the equipment installed and to eliminate some safety devices and mechanisms from its design. UCC also played the determining role even in major aspects of the day-to-day functioning of the Bhopal plant. As the Madhya Pradesh government has argued, the key management personnel of the multinational exercised "closely held power which is neither restricted by national boundaries nor effectively controlled by international law"; and that it is therefore not possible to isolate the specific unit of the enterprise which caused the harm.

But what of the role of the state government's own inspection agencies? Is it correct to hold, as the government has done, that they can be absolved of negligence in carrying out their duties? This issue has two components. First it is incontrovertible that the factories inspectorate of Madhya Pradesh, as that of any other state, does not represent the best form of state regulation of hazardous industries. Most such inspection agencies are too grossly understaffed, too incompetent and often too corrupt to be able to play an adequate role in ensuring that safety standards are not violated by managements. There is no reason to believe that the Madhya Pradesh agencies were any different. But secondly, that role is itself rather vague and certainly very limited. In some ways this must necessarily be so, given the fact that many safety standards and norms like hazards, are plant- and process-specific, and that in the absence of complete information on the plant and its hazards, it is impossible to lay down safety criteria and inspect the factory for their breach. It is equally true that few companies will agree to part with all the information they have on their processes and hazards, which is of a proprietary nature, and hence that regulating them for safety becomes an extraordinarily difficult task.

There is thus a great deal of merit in the Madhya Pradesh government's argument that no inspecting agency "could be reasonably expected to possess" the expertise to probe deep into design faults, or into defects in fabrication of the plant and machinery, and to ensure their continuous proper operation and maintenance. This is not to commend the state's factories inspectorate as efficient, clean and competent. It is merely to emphasise that even if it had been so, it could not have possibly gone into questions pertaining to flaws in the basic design of the plant, or discrepancies between design and actual quality of equipment, or details of storage, operating and maintenance practices and manning levels. As it happened, it is these factors that were at work in causing the catastrophic accident. It is of course possible to argue for the need for another body, at the national level, which goes into these issues and grants its approval only on the basis of a comprehensive investigation. It may also be appropriate to draw up norms for the transfer of technology from multinational corporations to this country. That, however, is not the issue here. The pertinent question is, who was responsible for the cause of the Bhopal accident? The unambiguous answer to this must be the Union Carbide Corporation.

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INDIA

SOVIET OFFICIAL ON GROWTH OF SOVIET-INDIAN TRADE

New Delhi PATRIOT in English 18 Nov 85 p 6

[Article by I.T. Grishin, Deputy Minister of Foreign Trade of the USSR]

[Text] Specific features of the Soviet-Indian trade relations, which are the most dynamic sector of cooperation between the two countries, are their high and stable growth rates. The trade turnover between the two countries has grown from Rs 1.3 crore in 1953 to over Rs 4,600 crore in 1985.

The growth has been not only in the absolute figures of trade, but also in the foreign economic ties of each of the partners as well. For example, India has become the USSR's biggest trade partner among the developing countries and now ranks seventh among the capitalist ones. The Soviet Union's share in India's foreign goods turnover went up from 2.7 per cent in the 1960-1961 fiscal year to 13.2 per cent in the 1982-1983 fiscal year, with the USSR's share in the exports of Indian commodities having reached 17.6 per cent by now.

1985 is a landmark year in the development of Soviet-Indian trade, for this is when the results of the trade between the two countries are summed up for the past five-year period. In 1981-1984 the overall Soviet-Indian goods turnover totalled 10,000 million roubles. Taking into account the commitments of the sides on the mutual goods deliveries for 1985, the volume of trade may reach 13,000 million roubles in the current five-year period, as compared with 5,100 million roubles in 1976-1980. Thus, a 2.5-fold growth of Soviet-Indian trade may be expected during the current five-year period.

The relations of equitable businesslike cooperation and respect for each other's interests are a guarantee of the progressive development of Soviet-Indian trade. The Soviet Union supplies India with machines and equipment the latter needs for the development of its economy. This includes metal-cutting machines, press-forging plants, walking excavators, drilling machines, cranes, diesel generators, looms, computers, as well as industrial raw materials (oil, oil products, fertilizers, non-ferrous metals).

Soviet deliveries hold a rather important place in India's imports of certain commodities. For example, the Soviet Union meets 60 per cent of India's needs in kerosene, 40 per cent of its needs in diesel fuel, 25 per cent in zinc, and 20 per cent in newsprint.

For its own part, India exports to the USSR a wide range of commodities which are either not produced in the USSR due to climatic conditions (jute, jute articles, castor oil, coffee; black pepper and others) or their production in the USSR does not fully cover the requirements of its economy (skins and hides, tea, cotton fabrics, fruit juices and others).

Of particular importance for India are the goods deliveries to the USSR which, in conditions of the unstable market conditions in the capitalist economy has become a guaranteed market for the sale of Indian commodities. If in 1970-1971, the USSR accounted for 13 per cent in the overall volume of India's export, in the 1983-84 financial year this figure had already gone up to 17.6 per cent. The USSR's share in India's exports of certain goods at present is as follows: tea — up to 28 per cent, coffee — up to 37 per cent, black pepper and spices — up to 25 per cent, tobacco — up to 40 per cent.

As the volume of exports of Indian goods to the USSR increased, there has been diversification of its

Particularly noteworthy are the growing deliveries to the USSR of what is known as 'engineering commodities'. If in the previous five-year period their volume amounted to 150 million roubles, in the current five-year period their overall volume might top 750 million roubles. Today, India exports to the USSR power cable, automobile batteries, garage equipment, marine containers, printing equipment, etc. The plants in Durgapur and Ranchi which were built with Soviet assistance, deliver metallurgical equipment, spheric and cone crushers, winches, conveyors, etc.

An important feature of Soviet-Indian business cooperation is that the trade is well balanced, with the reciprocal payments effected in rupees. This means that India pays for the Soviet deliveries of machines and equipment, raw and other materials in short supply not in convertible currency, but with the output of its industry and agriculture.

Both countries constantly seek to expand and deepen their mutual business cooperation. The new trade agreement for the next five-year period (1986-1990), which will provide for the further growth of the goods turnover, will now be signed. Both sides are aware that a widening of the range of mutual goods supplies provides new opportunities and reserves for boosting their trade and improving the forms of their trade cooperation. These questions were discussed at the meetings of the working group for trade of the inter-government Soviet-Indian commission for economic, scientific and technical cooperation held in July 1984 and April 1985.

An important place in the realization of additional opportunities for developing trade belongs to the regular meetings and consultations of the chambers of trade and industry of the USSR and India. Of late the Soviet Union was visited by delegations of the chambers of trade and industry of Calcutta, Bombay, Gujarat, and the Association of the Engineering Industry of India.

It is admitted at the regular meetings, consultations and seminars that production cooperation, cooperation in the servicing sphere, joint participation in carrying out projects in third countries might become new promising trends of cooperation.

The results that have been achieved and the broad prospects of Soviet-Indian trade convincingly show that much can be achieved by countries in the sphere of economic cooperation, provided the relations between them are based on mutual trust, confidence and consideration for the interests of the partners.

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SOVIET TRADE PACT SIGNED, TRADE FAIR CLOSES

New Delhi PATRIOT in English 28 Nov 85 p 3

[Text]

Trade contracts worth Rs 100 million have been signed at the Soviet pavilion in the India International Trade Fair. The contracts were expected to reach Rs 340 million mark, said commercial director of the pavilion Leonid Papin on Wednesday.

Addressing newsmen at the pavilion, Mr Papin said the contracts covered Soviet exports of reactive fuel used in jet planes, equipment for the manufacture of rubber goods including tyres and its import of Indian garments and handicrafts.

The five-year trade agreement between India and Soviet Union was finalised, following the visit of a trade delegation led by Soviet Deputy Minister for Foreign Trade I T Grishin to the fair.

India being the largest trade partner of the USSR from the developing countries, accounted for 15 per cent of the total Soviet trade with them. The Soviet share of India's external trade exceeded 13 per cent, he said.

Haryana, Rajasthan pavilions: As the Trade Fair came to a close, the Haryana pavilion downed its shutters to the strains of Gurubani which was relayed to mark the birthday of Guru Nanak.

Nearly three lakh persons had visited the pavilion by Wednesday afternoon, additional director of industries N K Jain said.

Rajasthan pavilion had a VVIP visitor in Chief Minister Harideo Joshi who showed keen interest in the exhibition put up on the contributions of Rajasthan during the freedom struggle, besides spending time at the stalls showing the State's handicrafts and electric typewriters.

The items that drew maximum interest at the Haryana pavilion were the giant-sized digital clock and neon signs, the Gypsy jeep of Maruti, the washing machines, and the electronic devices displayed by the State Electronics Development Corporation.

According to Industries Commissioner B S Ojha, Haryana has sought setting up of an export processing zone to offer package incentives to electronic units at Udyog Vihar.

Visitors turnout on the Trade Fair's last day was massive. There was rush in all the pavilions. Long queues were a common sight.

Pragati Maidan had a festive look with people with children in colourful woollens roamed around. Eatables being very costly on the fair grounds, many had brought food packets with them.

Thursday is the formal closing day of the Trade Fair, but for the public its gates closed on Wednesday night.

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CSO: 4600/1236

INDIA

GANDHI, BHAGAT DISCUSS RELATIONS WITH PRC

Bombay THE TIMES OF INDIA in English 22 Nov 85 p 1

[Text] New Delhi, November 21--The Prime Minister, Mr Rajiv Gandhi, said today that trade relations with China would depend on the settlement of the boundary issue.

Intervening during question hour in the Rajya Sabha, the Prime Minister rejected a suggestion that notwithstanding the progress of the boundary talks close trade ties could be forged with China. He said everyone in the house would not agree with this view and the government would certainly not agree with it.

Earlier, the external affairs minister, Mr B.R. Bhagat, assured the members that India would not cede even an inch of territory which rightfully and legally belonged to it.

Mr Bhagat said India had earlier rejected Beijing's proposals and its willingness to discuss border in all sectors did not mean it had been influenced by the Chinese claims.

Several opposition members cautioned the government against making any concessions to China for the sake of normalisation of bilateral relations.

Mr Bhagat said only one round of talks on the substantive boundary issue had been held and it would take more effort to prepare the way for dealing with the problem at the political level. India did not have a piecemeal approach to the problem.

He said that the recent talks covered boundary in the eastern sector also, even though India believed that there was no dispute over it since there was a customary line dividing the two countries. He clarified that by taking up the eastern sector during the talks, India had not made any concession.

He said that the talks primarily focused on the boundary issue and that both the sides clarified their respective positions. A settlement was reached on the question of the Indian embassy property in Beijing, he said.

UNI adds: Mr Satyanarayan Reddy sought India's stand on the reported package deal and on the vast territories belonging to India under the illegal occupation of China.

Mr Bhagat made it clear that the proposed package deal had been rejected long ago. What is of interest to India is the settlement of the crucial border dispute.

Mr Bhagat said China has laid claims to 90,000 sq km of territory in the northeastern border state of Arunachal Pradesh and 1,336 sq km in the middle sector besides illegally occupying 38,000 sq km in the western sector.

Replying to a supplementary, the minister said a lot of ground has to be covered before a high-level meeting could take place on the boundary question.

In a written reply Mr Bhagat told Mr Kapil Verma that India has conveyed to the Chinese government its concern at reports regarding Sino-Pak nuclear collaboration. The Chinese government has stated that it does not intend to give or has given help as far as nuclear proliferation was concerned.

Replying to another question, he said while the government's attention had been drawn to reports that China was upgrading the Karakoran highway linking Kashi (Kashmir) in northwest Xinjiang province with Pak-occupied Kashmir, so far no authentic information was available.

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CSO: 4600/1225

INDIA

BJP LEADER MEETS PRESS, DISCUSSES INDO-PRC RELATIONS

Calcutta THE SUNDAY STATESMAN in English 24 Nov 85 p 9

[Text] Lucknow, Nov 23--The Bharatiya Janata Party president, Mr A.B. Vajpayee, today said the border dispute with China should be settled on a sector-to-sector basis, reports UNI.

Calling for a speedy settlement of the problem, Mr Vajpayee told a Press conference here that he would soon write to the Prime Minister to take up the matter on a priority basis.

He also called for resumption of the traditional Indo-Tibetan trade links for bolstering the economy of the hill districts of Uttar Pradesh. He was on a tour of the hill areas of the State.

On Indo-Pak relations, Mr Vajpayee said the "threat" from Pakistan was being blown out of proportions and Government statements on the matter were contradictory.

"Still we have to be alert and on the guard, but the Government on its part should take the people and the Parliament into confidence in such matters."

He described Mr Rajiv Gandhi's approach as "elitist" and said liberalization of imports and a renewed influx of multinationals posed a threat to India's self-reliance.

Regarding electoral adjustments with other parties for the coming elections in Assam, Mr Vajpayee said "we have a very large number of candidates ourselves and cannot offer seats to other parties."

Refuting charges that the BJP was facing an "ideological crisis" he said "there were some differences but they have since been ironed out."

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CSO: 4600/1229

PURPOSE BEHIND RAJIV VISIT TO JAPAN ANALYZED

Madras THE HINDU in English 17 Nov 85 p 2

[Article by G.K. Reddy]

[Text] Once again there is renewed interest in India on increased Indo-Japanese economic cooperation on the eve of the Prime Minister's visit at the end of this month to the land of the rising sun. It is a complex country, a closed society, that evokes both envy and admiration, but without ill-feeling and apprehension. It is a new nation that has risen Phoenix-like from the ashes of the old one and already leaped forward into the next century wielding enormous economic power without arms.

The Japanese phenomenon perplexes countries like India, burdened with a heavy backlog of problems, which want to copy Japan to catch up with their lost opportunities, but are unable to understand the secret of its success in transforming itself into an economic superpower within 40 years without losing its identity or shedding its traditions. The Prime Minister, Mr Rajiv Gandhi, imbued as he is with a technological vision of his country's future, has been fascinated by the Japanese miracle. He is making this voyage of discovery to this Juggernaut to see how India can benefit from its experience.

Indo-Japanese relations have been traditionally good with no conflicts of interest since their paths have not crossed at any time in the history of these two great Asian nations. But they have had relatively little contact in the political or economic spheres, despite their shared desire to develop a mutually beneficial relationship in many areas that offer immense scope for fruitful cooperation. The two countries together with their vast technical skills and natural resources could serve as a nucleus for north-south cooperation in Asia inhabited by nearly one-half of the world's population.

The paradox is that all these years neither India nor Japan has realised the great potentialities of this cooperation which could serve as an illustrious example of inter-dependence between developed and developing nations. It is unfortunate that no concerted effort has been made so far by the two countries to evolve a pattern of economic relationship and a framework for technological collaboration without prejudice to their political pursuits based on differing perceptions.

But better late than never; the present Prime Minister of Japan, Mr Yasuhiro Nakasone, has taken steps to fill this psychological gap and put greater content into Indo-Japanese relations. Before her assassination, Indira Gandhi responded to this initiative by holding out the prospect of increased Japanese participation in India's economic development. Now her son is making a bold bid to emulate the Japanese example to the extent possible under present-day Indian conditions, for absorbing its technology, assimilating its work culture and adopting its hard-headed approach to industrialisation.

Symbol of Asian resistance

The Indian people have known very little of Japan's history and culture, its values and traditions, except in a general way about its spectacular achievements. For long western propaganda had portrayed Japan, particularly during the colonial period, as a closed society that was mysterious and inscrutable, difficult to understand and appreciate, let alone benefit from its callous ways of life. The Japanese products which were subjected to all kinds of discrimination were dubbed as cheap imitations of western goods, of poor quality and doubtful utility irrespective of their highly competitive prices. It took India a long time even after its independence to become better aware of the great technical advances that Japan had made in post-war years in establishing a high reputation for quality and perfection.

Despite all this disinformation, the Indian people admired the Japanese renaissance since it came to be widely regarded as an eloquent symbol of Asian resistance to western dominance, so much so that even a man of peace like Mahatma Gandhi had no hesitation in applauding Japan's victory against Russia in the 1904-5 war in Manchuria, since it represented the very first defeat suffered by a white colonial power at the hands of a non-white people. The subsequent conquests of Japan in Asia and the barbarities of its militarism in China and elsewhere no doubt shocked Asian opinion and tarnished its image, but the Indian people who had not been subjected to the ugly realities of Japanese occupation during the Second World War tended to derive some vicarious satisfaction from the crushing defeats inflicted by the Japanese armies on British, French and Dutch imperialism in Asia, shattering forever the myth of the invincibility of the European races.

When atom bombs were dropped on Hiroshima and Nagasaki compelling Japan to surrender, there was a great surge of sympathy for the plight of the vanquished Japanese people despite all the horrors inflicted by their brutal armies on fellow Asians in China, Korea, Philippines, Indo-China, Thailand, Burma, Malaya, Indonesia and the numerous islands dotting the vast expanse of the Pacific ocean. The ill-advised British decision to brand Netaji Subhas Bose as a traitor and try the Indian soldiers who joined the INA for treason created such a sense of outrage in India that it generated further sympathy for Japan as a country that helped them with whatever motivation.

It was not surprising that the Indian representative on the Tokyo War Crimes Tribunal, Dr Radhabinod Pal, gave a dissenting judgment. As a logical follow-up of this stand, India signed a separate peace treaty with Japan in 1952 renouncing its claims for reparations. But unfortunately the two countries started drifting apart in the wake of the cold war, with Japan going the whole hog in identifying itself with the U.S. and India steering a middle course and giving the benefit of doubt to China and the Soviet Union in the name of non-alignment.

The virtual freeze that followed in Indo-Japanese relations at the political level came in the way of closer economic links with neither country making any major move to intensify trade or open the way for increased industrial collaboration. It was not therefore surprising that no Japanese Prime Minister cared to visit India for 23 years, until Mr Nakasone paid a brief trip to Delhi last year, although the two Governments kept up a pretence of high level contacts through an exchange of ministerial visits. Though Indira Gandhi stopped over for a day in Tokyo in 1982 on her way back from the U.S., an Indian Prime Minister will be paying an official visit after an interval of 17 years when Mr Rajiv Gandhi goes to Japan.

It was certainly a sad commentary on the state of Indo-Japanese relationship during the last three or four decades. It was not just a case of disinterest or indifference, but a classic example of an unavoidable drift and loss of direction which neither country cared to check in the absence of any obvious compulsions for restoring the missing perspective in their relations. In the gerontocracy of Japanese politics, the country's 16th post-war Prime Minister, Mr Kakuei Tanaka, the youngest at 54 in the lineage of octogenarians, made a bold bid in 1973 to break away from this mould and cultivate South East Asian countries to provide a new Asian dimension to Japan's aspirations. But this premature initiative taken well before the bitter memories of Japan's wartime brutalities in the conquered countries ended up in a big political disaster by producing a new wave of resentment against Japan.

Strange combination

This diplomatic fiasco made the Japanese withdraw further from the Asian scene and turn increasingly to Latin America for new avenues of trade and investment. The process got reversed following Sino-American reconciliation and the progressive change in the attitudes of the South-East Asian peoples. The present Prime Minister, Mr Nakasone, the 23rd one in this series, who is an equally dynamic figure, has seized the right psychological moment to open a window, as it were, on Asia and in his foreign policy both China and India have been receiving considerable attention.

The ambivalent Japanese attitude towards India all these years represented a strange combination of veneration as the birthplace of the Buddha, admiration for its spiritual traditions, impatience with its archaic ways, irritations over its bureaucratic procedures and indifference towards its economic aspirations. The average Japanese, whether he is a politician, diplomat, intellectual, technocrat or businessman, does not still understand what exactly are India's objectives. The reflexes of his Indian counterpart are no less conditioned by the western caricatures of Japan as a self-centred society that is too obsessed with its own economic ambitions to bother about the sensitivities of other people, especially the developing Asian and African countries that do not have much to offer in quick return for Japanese cooperation.

Asian identity

The Indian people by and large look upon Japan with a degree of admiration as a highly self-centred and achievement-oriented society with a strong sense of national discipline, a passion for perfection, a firm determination to succeed at any cost, a tremendous capacity to absorb and improve upon latest technological advances and an uncanny ability to overcome innumerable trade barriers through keen competition. But this admiration is also tinged with a touch of resentment that in its excessive preoccupation with growth, Japan has failed to develop an Asian identity without diluting its links with the west, especially the U.S.

It is the absence of this consciousness in the Japanese psyche that has contributed to its emotional isolation from the Asian mainstream, as it went about steamrolling its way like a gigantic robot accomplishing peacefully through hard work what it failed to achieve through militarism. This critical view of Japan has not diluted in any way India's admiration for its firm adherence to its new democratic values without discarding the country's old traditions, its respect for the rule of law, the role of its free press and its lively parliament, an alert opposition and assertive public opinion which prevents misuses of political power beyond the limits of tolerance.

The Prime Minister and his advisers know quite well that India has to blame itself equally for Japan's past neglect of this country because the previous Indian Governments had revelled in their own ambiguities not knowing what they wanted and with no clear concept of what Japan could to to help its development. There has also been a deplorable failure on India's part in establishing a proper political equation with Japan which could have paved the way for increased economic cooperation without embarrassment to either side.

If India failed to attract Japanese investment and technological cooperation on a larger scale, it was primarily because of its own starry-eyed socialistic approach which in the name of planning led to needless restrictions. As a cautious and pragmatic people, the Japanese preferred to bide their time till the right conditions were created for foreign participation. Now that India has started shedding some of its earlier misconceptions and adopting consciously a policy of liberalisation when the rest of the world is moving increasingly towards restrictive trade practices, it is time that the big Japanese companies come forward with proposals for participation in core sectors like transport, telecommunications, petrochemicals, electronics, steel, coal and power generation.

From India's point of view too, no country is better qualified than Japan to assist in its rapid industrialisation, its work ethics, cost-conscious approach, a readiness to face both domestic and foreign competition stand out in sharp contrast with the high cost economy that India has established through a State monopoly in core sectors and absence of any incentives to increase productivity or improve the quality of products. The western industrial societies with their high labour costs and expensive technologies cannot meet India's requirements as Japan can through its better adaptability to Indian conditions.

It is in full awareness of all these factors that Mr Rajiv Gandhi has taken a conscious decision to explore the possibilities of greater cooperation with Japan before turning to other industrialised countries for assistance. The Japanese too, cannot afford to let go this opportunity since they need a big market like India for their capital goods and trade at a time when the western countries are resorting to restrictive practices against them.

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CSO: 4600/1214

REPORTAGE ON RAJIV'S VISIT TO JAPAN

28 Nov Activities

Bombay THE TIMES OF INDIA in English 29 Nov 85 p 1

[Article by Kirit Bhaumik]

[Text] Tokyo, November 28--Japan has agreed to extend an additional credit of 30 billion yen (about Rs 160 crore) for converting petroleum gas in Assam into energy through turbine technology.

This was decided during talks between the Prime Minister, Mr Rajiv Gandhi, and his Japanese counterpart, Mr Yasuhiro Nakasone, here this evening.

This will be in addition to the 39 billion yen credit which Japan will provide in the coming year.

Besides, the two prime ministers decided that to promote trade and strengthen economic and cultural ties between the two countries, a Festival of India would be held in Japan and a Japan Week organised in India.

The talks were held soon after the arrival of the Prime Minister on a three-day state visit here.

Mr Gandhi emphasised that his mission was not just to conclude a business deal but to revive ancient cultural links with Japan.

He told Mr Nakasone that India not only wanted to get high technology from Japan but also learn from its leaders how to forge ahead economically and at the same time preserve one's civilisation and ancient cultural heritage.

The two prime ministers also discussed a wide range of international issues. They welcomed the outcome of the Geneva summit and hoped that when the experts' meeting took place in January, some concrete decisions on reducing arms would be taken.

Discussing economic issues, they decided that the two sides would work for a consensus on GATT tomorrow.

Mr Nakasone also offered to assist India in the building of the Sanjay Gandhi memorial hospital at Lucknow. It was decided that a Japanese experts' mission would go to India soon to work out the details.

At a banquet hosted by the Japanese Prime Minister later, Mr Gandhi again sought to highlight the common base of culture and heritage between the two nations. He said the two Asian nations had "interacted down the lamp-lit corridors of history. Our philosophers and pilgrims have nurtured a similar approach to right and wrong, to the perennial and the perishable."

The Prime Minister said the old relationship between India and Japan had received a new impetus with Japan becoming the first Asian country to assimilate the new scientific knowledge. Its achievements were viewed with pride by India and other nations of the continent.

Mr Nakasone responded by saying that "the people of India, who founded Hinduism, which recognises dieties in everything in nature, and those of Japan, who have been strongly influenced by Buddhism are very much alike in their ways of thinking. For this reason, I believe it is possible for our two peoples to move towards the creation of a new universal ethic."

Mr Nakasone said Japan and India had much in common in their culture since ancient times. Today they embraced the same democratic ideals. "I am convinced that enhancing the cooperative relations between these two leading Asian democracies is of immeasurable importance."

In regard to North-South problems, he said the two countries shared heavy responsibilities. India was the leader of the third world while Japan could understand the frustrations of developing countries. "I believe the two countries must act as a bridge between the North and the South."

Japan, Mr Nakasone said, had an international responsibility to use its economic power, technology and experience to assist developing countries.

Earlier, the Japanese hosts departed from convention to give Mr Gandhi the rare honour of receiving him at the old Akasaka Palace set in verdant surroundings, a venue reserved for heads of state.

A guard of honour was presented by green beretted men drawn from the ground self-defence force which again was departure from the practice.

The Prime Minister flew in here this afternoon after a one-day state visit to Vietnam, for what he described as the beginning of a new phase in Indo-Japanese relations.

Mr Gandhi and Mrs Sonia Gandhi were received on the palace lawns by Mr Yasuhiro Nakasone, and Mrs Nakasone.

The special honour shown in greeting him indicates a Japanese desire to adequately respond to Mr Gandhi's desire to forge new links with Japan.

Technology Agreement, Rajiv Speeches

Calcutta THE STATESMAN in English 30 Nov 85 p 1

[Excerpt] Tokyo, Nov 29--India and Japan today signed an agreement to facilitate the transfer of latest Japanese technology to India in the fields of computers and other industries, report PTI and UNI. It was signed by the External Affairs Minister, Mr B.R.Bhagat, and his Japanese counterpart, Mr Shintaro Abe. A joint committee will be set up to discuss and identify the areas of cooperation in science and technology.

The committee will meet alternately in India and in Japan on dates to be determined through diplomatic channels.

The accord, initially for a two-year period, signifies the close rapport Mr Rajiv Gandhi has been able to establish with the Japanese Prime Minister, Mr Yasuhiro Nakasone, during his four-day mission of understanding which began yesterday.

Mr Gandhi said the agreement would help the two countries move to a "new phase of constructive cooperation." He described it as a major step which would "broaden the scope of exchanges between our countries."

Science

The agreement provides that the two Governments shall on the principle of equality and mutual benefit promote cooperation in the fields of science and technology.

The joint committee being set up under the agreement will discuss policy issues relating to its implementation, review progress and propose measures to enhance cooperation.

The agreement will not replace other arrangements for cooperation and will remain in force for two years and continue thereafter until terminated by either Government.

It comes soon after the Japanese announcement extending to India a loan of 30 billion yen for the Assam gas turbine power plant and transmission lines project.

Speaking at a dinner organized by Japanese economic organizations, the Prime Minister spelt out a four-pronged target set by his Government in the next phase of the country's industrial revolution to create a modern economic edifice. The targets are: absorbing and developing new technologies; improving quality; reducing costs and enhancing competitiveness.

Mr Gandhi said the proposed economic edifice would be self-supporting and face the challenges of technological innovations and mobilize resources for higher levels of investment.

Addressing a joint meeting of the Japan-India Business Cooperation Committee, Mr Gandhi disclosed today that the Government would soon present to Parliament "paper" containing the five-year perspective of its economic policies. It would be "a consolidation of what we have been stating."

The perspective plan would show that "we have not been taking short-term measures but giving definite indications for the future."

Mr Gandhi, who was given a standing ovation at the packed meeting said the Government was keen to ensure that investment was directed primarily towards the production areas of the economy. "We cannot afford extravaganza expenditure yet."

Rajiv Addresses Diet

Bombay THE TIMES OF INDIA in English 30 Nov 85 p 1

[Text] Tokyo, November 29 (UNI & PTI)--The Prime Minister, Mr Rajiv Gandhi, today appealed to the developed and developing countries to meet and evolve a new world economic order equitable to all.

Any confrontation between the two sides would be ruinous in the long run. The need of the hour was to abandon preconceived notions and examine realistically how a new consensus could be evolved.

Addressing the Diet, the Japanese parliament, Mr Gandhi said much had changed since the second World War, but the pre-war financial and economic relations had not changed.

Even the minor gains of the sixties and seventies were being eroded. Development assistance had become unfashionable. Financial flows were being curtailed and protectionism was increasing in industrially advanced countries.

In his 30 minute speech, which drew repeated applause, Mr Gandhi spoke on a number of international issues, ranging from apartheid to the threat of a nuclear holocaust.

He said the debt servicing problem had made prospects of growth highly uncertain in many developing countries, most of which were facing extreme hardships. "This is one side of the picture. On the other side is the continuing crisis in the developed world."

Recession had followed shortlived recovery and the problem of unemployment was resisting conventional solutions. There was sense of a loss of direction.

"These are not problems which one country or a group of countries can solve by itself. They were global in their nature and only when all countries discussed them together could they be solved.

GATT Talks

Mr Gandhi referred to the demand for a new round of GATT talks and said India was not opposed to it. But India wanted the decisions of the earlier rounds to be implemented before another round.

The developed countries could not brush aside the genuine difficulties faced by developing countries due to protectionism.

With goodwill "we can smoothen the path" of negotiations and achieve results which would be fair and equitable to all," he said.

In this interdependent world, poverty could not co-exist with wealth.

Mr Gandhi devoted much of the speech to the centuries old relations between the two countries and asked Japan to work with India "to build a beautiful partnership" not only for mutual benefit but also in the larger interests of mankind.

People all over the world were eager to break the barrier to peace and India and Japan, notwithstanding the different policies they pursued, could join hands in the worldwide campaign for peace.

"We share with Japan the deep conviction that the world must be saved from a nuclear holocaust. We must not forget the tragedy of Hiroshima and Nagasaki. These wounds in the human spirit can heal only with the elimination of all nuclear weapons."

India was in an exciting phase of its journey. "We travel with confiden and with optimism."

He dwelt at length on India's industrial development and said India valued Japan's assistance in its development efforts. He recalled that it was to India that Japan extended its very first yen credit.

Mr Gandhi also spoke of the brazen violation of human rights and reiterated India's and the non-aligned movement's call for an immediate end to apartheid in South Africa and to the enslavement of Namibia.

He stressed that each nation should have the freedom to determine its own path and none should force their system on others.

Mr Gandhi also spoke of the manner in which Japan had built up an extraordinary dynamic economy and achieved technological mastery without eroding its traditional value system.

Mr Gandhi acknowledged Japan's assistance in its economic reconstruction effort. He welcomed the agreement signed today between the two countries on co-operation in science and technology.

He said India's expanding market, the stability of its political institutions, its large entrepreneurial base and its growth-oriented policies provided a favourable setting for fruitful cooperation.

"Let us work together boldly to build a durable partnership," he added.

Warm Response

Mr Gandhi began his address by saying that it was an honour to address the diet, one of the world's great parliaments. "I bring greetings from the parliament of India. Through you I convey to the people of Japan the warm and sincere good wishes of the people of India.

The Prime Minister's speech received warm response from the Japanese parliamentarians who gave him a standing ovation at the end of the hour-long address.

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RIVER WATERS PROTOCOL SIGNED WITH BANGLADESH

Madras THE HINDU in English 23 Nov 85 p 1

[Text] New Delhi, Nov 22--Talks between India and Bangladesh on the sharing of the waters of the rivers common to the two countries concluded on an optimistic note with the signing of a Memorandum of Understanding here today.

Signed by Mr B. Shankaranad, Union Minister for Water Resources, and Mr Anisul Islam Mahmud, Irrigation, Water Development and Flood Control Minister of Bangladesh, the memorandum declared the intention of the two Governments to identify schemes for augmenting the Ganga flow at Farakka "by the optimal utilisation of the surface water resources of the region available to the two countries."

Review of progress: A study for this purpose would start immediately and be completed within 12 months. After six months, the Ministers concerned would review the progress and the heads of Government of the two countries would make a further review after 12 months.

It expressed the hope that a decision on the schemes for augmenting the flows of the Ganga at Farakka and on a long-term arrangement for sharing the waters of the river would be taken at the summit level.

The study of the water resources would be undertaken by a joint committee of experts among whom would be the secretaries of the departments concerned of the two Governments and two engineer-members of the Joint Rivers Commission.

The joint committee of experts would evolve its own procedure and take such other steps as might be necessary to ensure its completion within the 12 months.

The two sides also drew up a formula for sharing the Ganga water available at Farakka for the next three dry seasons. The last agreement on this subject expired in 1984.

Immediate consultation: In cases of exceptionally low flows in any of the three dry seasons (January to May), the two Governments would hold immediate consultation and decide how to minimise the burden to the other country.

The meeting of the two Ministers had begun on November 18 in pursuance of an understanding between the Prime Minister, Mr Rajiv Gandhi and the Bangladesh President, Lt-Gen H.M. Ershad, during the Commonwealth heads of Government meeting in the Bahamas in October.

A press release said the discussions "were held in an atmosphere of cordiality and friendship."

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INDIA

EGYPTIAN SUGGESTS INDO-EGYPT ARMS COOPERATION

Calcutta THE STATESMAN in English 21 Nov 85 p 9

[Text] New Delhi, Nov 20--India and Egypt could set up joint ventures to produce military equipment to meet the needs of not only the two countries, but also other developing nations, according to the Egyptian Deputy Prime Minister, Mr Kamal Ahmed el-Ganzouri.

Mr El-Ganzouri is here to attend the India-Egypt joint commission, which is scheduled to end tomorrow.

It is in the context of the heavy dependence of most of the developing countries on arms supplies from the West or the East, and the possible leverage that it gives to some of the supplier countries, that the Egyptian leader found scope for cooperation between countries like Egypt and India on arms manufacture.

Mr El-Ganzouri said investment of capital need not be a bottleneck--"your equipment, our experience and a third partner for money can produce results."

Egypt's experience in the past during her wars with Israel, when it broke off with the Soviet Union, had taught the country a bitter lesson, he said.

"Now we are getting our arms supply not from one source, but various countries in the West; the Soviet Union has just started talking of supplying spares," said the Egyptian Deputy Premier.

Mr El-Ganzouri deprecated the tendency among the developing nations to look to the North more than to countries in the South such as India which could be considered developed in several areas.

After the formal signing of the agreement tomorrow, there will be exchange of visits of businessmen to work out the details of the projects for cooperation. Mr El-Ganzouri feels that India could help in housebuilding and supplying building material.

Ties between the two countries are likely to get a further boost when President Hosni Mubarak visits India at a date to be decided soon.

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INDIA

NEW DIPLOMATIC EFFORT TOWARD GULF STATES NOTED

Madras THE HINDU in English 7 Nov 85 p 9

[Article by G.K. Reddy]

[Text] NEW DELHI, Nov. 6. — The special gesture of the Prime Minister, Mr. Rajiv Gandhi, in accepting the personal invitation of Sultan Qabboos of Oman to attend the 15th anniversary celebrations of his accession on November 18 is part of a new diplomatic effort by India to establish closer relations with the oil rich Gulf States.

The Finance Minister, Mr. V. P. Singh, will be visiting Saudi Arabia later ostensibly to attend a Ministerial meeting of the Joint Commission, but actually to establish a better bilateral understanding with this politically important and phenomenally wealthy country which has hitherto been somewhat inhibited in pursuing a policy of equally good relations with both India and Pakistan.

Primary stress: The Indian policy now is aimed at laying the primary stress on development of mutually beneficial bilateral relations without letting the Pakistan factor condition the country's attitudes towards them. As Islamic countries, these Gulf States have a religious affinity with Pakistan, but the more enlightened or pragmatic ones among them have not been allowing this emotional consideration to impair their links with India with which they have traditionally cordial relations.

The new Indian attempt to steer clear of this Pakistan factor has already led to some encouraging results, since most Gulf countries including Saudi Arabia have started realising that they are not being compelled in any way to choose between India and Pakistan. It is also enabling some of them, notably the Sultanate of Oman, to seek a parallel readjustment of its relationship with the U.S. and the Soviet Union, to safeguard their regional positions.

Important guests: The two most important guests of Sultan Qabboos at the 15th anniversary celebrations of his accession are going to be the Prime Minister of India and the President of Pakistan. The heads of other Gulf States, who have just met in Muscat, capital of Oman, at the annual summit of the Gulf Cooperation Council, will be represented by their crown princes.

The shrewd Sultan of Oman who is a close ally of the U.S. which has been permitted to establish air bases on his territory has followed the Kuwaiti example of balancing his special links with the west by opening diplomatic relations with the Soviet Union. It has enabled Moscow to gain a political foothold in this strategically very important country across the Strait of Hormuz that controls access to the Gulf region.

The Soviet Union in turn, has used its influence to end the bitter feud between pro-western Oman and pro-Moscow South Yemen which has been aiding and abetting the revolt in the adjoining Dhofar province of Oman to exert political pressures on the Sultan. This balancing act by Sultan Qabboos has helped to enhance India's credibility in the area as an exponent of Non-Alignment and non-involvement as against Pakistan's increasing identification with the U.S. as one of the so-called frontline States.

Changing attitudes: The Petroleum Secretary, Mr. G. V. Ramakrishna, has returned from a highly successful visit to the Gulf area greatly impressed by the changing attitudes there. The high and mighty Saudis are no longer adopting a patronising posture in their dealings with India and even its Oil Minister, Sheikh Yamani, who is used to putting on superior airs in his contacts with leaders of less affluent countries, has lately become quite solicitous towards them.

A plus point in favour of Oman, a country of only 1.5 million people with an oil production of half a million barrels a day, is that it is not a member of the Organisation of Petroleum Exporting Countries which enables the country to pursue its own policies on petroleum prices and production. It has been trying to establish a closer oil relationship with India to supplement the growing political and economic relations. The 225,000 Indians working in Oman constitute the single largest foreign community in this Sultanate.

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CSO: 4600/1212

ARAFAT REMARKS BEFORE DEPARTURE FROM DELHI NOTED

Calcutta THE STATESMAN in English 20 Nov 85 p 1

[Text] New Delhi, Nov 19--The chairman of the Palestine Liberation Organization, Mr Yasser Arafat, said here today that while the Arab nations hoped for an early convening of an international conference on the Palestinian issue, it was essential the Soviet Union and the USA participate for such a meeting to be meaningful.

Mr Arafat, who was talking to reporters shortly before his departure, also said the PLO's participation was necessary in any peace effort in the region.

When asked if he expected any initiative from India, the Palestinian leader said he did not expect any initiative as such. He was thankful for the cooperation and support the Palestinian people were continuing to receive from India at all levels.

He condemned the Israeli attack on the PLO's headquarters in Tunisia and accused the USA of plotting with Israel to assassinate him. He affirmed that his headquarters would continue to be in Tunisia.

Mr Arafat flared up when asked about the effect on the peace process of the recent hijacking of an Italian ship and the subsequent killing of an American. Reiterating that the PLO had nothing to do with it he wondered why such questions continued to be asked when no voice was raised against the killings following the Israeli raid in Tunisia. He even alleged the USA hijacked the Egyptian airliner for fear the Palestinian leader's investigations into the hijacking would "unmask the truth."

Mr Arafat maintained Egypt and Jordan were close supporters of the Palestinian cause and there were no differences with them. He also affirmed that unity within his organization was never as strong as it was now.

When asked if it was time for him to seek military help from the non-aligned countries, Mr Arafat said "our people would continue their struggle." He said there were volunteers from India, Bangladesh, Iran and many other countries engaged in the struggle.

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CSO: 4600/1219

IRANIAN INDUSTRY MINISTER ARRIVES IN DELHI

Madras THE HINDU in English 26 Nov 85 p 9

[Text] New Delhi, Nov 25--The visiting Iranian Industry Minister, Mr Ghulam Raza Shafai, today explored at separate meetings with the representatives of the Government and industry, the prospects of expanding bilateral trade in the wake of the memorandum of understanding signed recently, envisaging India importing substantial quantity of Iranian crude and Teheran buying Indian goods to the value of 50 percent of the oil cost.

At his meeting with the Commerce Minister, Mr Arjun Singh, the Iranian minister, was told that India would soon provide Iran with the list of goods it could export. Iran had indicated its requirements, which include iron and steel items, compressors and electrical goods, PVC, caustic soda, cellophane paper, synthetic fibre, rayon yarn, asbestos, aluminium foil and chemicals.

Exports worth Rs 22 crores would be expected to Iran soon. These include jeeps in CKD (completely knocked down) condition, machine tools, spices, tea and hessian cloth. The possibilities of link deals, covering supply by Iran of sulphur to India against Indian exports of equipment, also figured in the talks.

At his meeting with the Association of Indian Engineering Industry (AIEI), Mr Shafai promised the early establishment of a $200 million (over Rs 240 crores) special fund to act as a buffer for foreign exchange payments, as envisaged by the agreement concluded last March. He promised to remove the factors that had contributed to the delay.

Major areas: Among the major areas identified by him for expansion were petro-chemical plants, non-metal industries, with specific reference to cement, packaging for medicine and food, electronics and textile machinery.

Welcoming Mr Shafai and his delegation, Mr Ranjit Puri, Chairman, AIEI (northern region), said the organisation had established strong links with Iran over the past few years. It had opened an office in Iran in June 1982 and sent a high-level industrial mission to Iran. AIEI had been fairly successful in transferring technology and arranging training programmes, particularly in the fields of textile machinery, small scale industries, industrial equipment, machine tools, boilers, power plant equipment and transmission lines. It was capable of entering further areas for cooperation.

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CSO: 4600/1231

INDIA

ACCOMPLISHMENTS OF RAJIV VISIT TO HANOI REPORTED

Bombay THE TIMES OF INDIA in English 28 Nov 85 p 1

[Article by Kirit Bhaumik]

[Text] Hanoi, November 27--The unique relationship between India and Vietnam was highlighted by the Vietnamese head of state, Mr Truong Chinh, while posthumously conferring on Mrs Indira Gandhi, the Order of the Golden Star here this morning.

The Prime Minister, Mr Rajiv Gandhi, who arrived on a state visit this morning, received the award, Vietnam's highest national honour, at the Presidency Palace.

As part of an economic package agreement concluded here, India has undertaken the responsibility for oil exploration in offshore Vietnam. The exploration work will be done by the Oil and Natural Gas Commission in co-operation with Petroleum Vietnam.

At the second meeting of the India-Vietnam joint commission which was in session for three days prior to the arrival of Mr Gandhi, it was decided that ONGC would be given three blocks in the offshore areas for exploration.

The package also includes Indian credit for promoting industrial development in Vietnam and rescheduling of earlier credits. One of the major items of the agreement is assistance for modernisation of Vietnam's textile industry.

Wheat Supply

India's assistance will be in the shape of direct credits as well as through supply of an additional quantity of wheat. It is understood that the new credits and the rescheduling of old credits will together amount to Rs 20 crores. The additional quantity of wheat to be supplied is 100,000 tonnes.

Earlier, at the formal talks between the Prime Minister and Mr Pham Van Dong, both sides emphasised that the agreement should be implemented in right earnest.

India will also extend facilities of technical training in small and medium-scale industries. Further, in order to enable Vietnam to repay the credits, it was decided that India will be importing from Vietnam oilseeds, palm oil, rubber and tin.

Speeches made by the Prime Minister and the Vietnamese leader at public functions left one with no doubt that both New Delhi and Hanoi consider themselves as the closest allies among the Asian nations.

The honour bestowed on Mrs Gandhi is obviously meant to highlight the fact that it was the late Prime Minister who established these close bonds--the starting point, perhaps, being the recognition by India of the People's Republic of Kampuchea. Mrs Indira Gandhi is the only leader outside the "socialist" bloc to have been given this honour.

To underscore the new relationship that has developed between India and Vietnam, Mr Rajiv Gandhi said at a public reception: "We are glad to share our experience with others. We share a love of freedom. We share a determination never to bend our knee before insolent might. We share a resolve to build our countries out of our own toil. We are together for world peace and co-operation."

Mr Gandhi added that south-east Asia has been an arena of mounting conflicts. Various proposals had been put forward to initiate a dialogue and they should lead to a comprehensive solution, he said.

At the formal talks, the Indian delegation appreciated Vietnam's unilateral declaration that its forces would be withdrawn from Kampuchea in 1990.

The foreign minister, Mr Nguyen Co Thach, told Indian newsmen later that Vietnamese forces were in Kampuchea to help Kampucheans defend themselves.

Both the Prime Ministers and the Vietnamese leaders welcomed the talks between the U.S. president, Mr Ronald Reagan and the Soviet leader, Mr Gorbachov. Mr Gandhi said: "We welcome their categorical declaration that nuclear war cannot be won and must never be fought. We hope that the negotiations to be resumed will yield concrete measures of nuclear disarmament.

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CSO: 4600/1242

INDIA

PAPER REPORTS INCREASE IN INDO-CZECHOSLOVAK TRADE

Czech Pavilion at Fair

New Delhi PATRIOT in English 16 Nov 85 p 3

[Text] India is the biggest trade partner of Czechoslovakia, with business turnover having stepped up by about 70 percent between the two countries in the last year.

Czechoslovak pavilion at the India International Trade Fair displays a wide variety of industrial items including machine tools, a textile machine, ball bearing and motor-cycles made with Czech knowhow. According to Czechoslovak economic and commercial counsellor Vladimir Kirsbaum, 350 cc Yezdi motorcycles will be produced in India shortly, along with the usual 250 cc bikes.

Amongst the newer items to be imported from India, Mr Kirsbaum said, are iron ore pellets and two lakh tonnes of iron ore concentrate worth Rs 80 million.

The main items of Czechoslovak exports are machine tools, textile machines, steel, fertilisers, plastics, ball bearings, diesel aggregates and printing machines.

Indian exports to Czechoslovakia include cotton yarn, iron ore and concentrate oil cake, textile products, handmade products, hydraulic dampers, and handloom goods.

The two-way trade reached a record Rs 200 crore during the last year, a 30 percent increase as compared to the previous year.

The contractual base for mutual commercial and economic relations is stipulated by the Trade and Payments Agreement of 1984. The protocol on the trade exchange, signed annually, is to be negotiated later this month.

The West Bengal pavilion displays goods and services of 23 units from the public and the private sectors. Starting with traditional items like handloom and handicraft goods, textiles, tea, khadi and village industry products, the exhibits show the progress the State had made in electronic goods, industrial products, leather and automobiles.

Addressing newsmen at the pavilion, West Bengal Minister for Commerce and Industries Nirmal Bose said the Central Government had agreed to hold a trade fair in Calcutta. A permanent fair site had been identified at Salt Lake City, he said.

Trade Agreement Signed

New Delhi PATRIOT in English 27 Nov 85 p 5

[Text] India and Czechoslovakia on Tuesday signed a trade protocol that provides for a Rs 467 crore turnover during 1986. The protocol envisages Indian exports worth Rs 234 crore and Czechoslovak exports at Rs 233 crore.

The Indian exports in 1986 to Czechoslovakia are expected to consist mainly of agricultural products, textiles, engineering goods, minerals and ores, leather and leather goods, chemicals and allied products. The stress would be more on manufactured and non-traditional products, but a substantially increased provision has also been made for traditional products like ground-nut extractions, cotton-seed extractions and raw cotton.

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CSO: 4600/1233

INDIA, FRG SIGN PROTOCOL ON COAL MINING

New Delhi PATRIOT in English 30 Nov 85 p 2

[Text]

Ranchi, Nov 29—A comprehensive Indo-West German protocol involving an outlay of Rs 500 crore was signed here recently for collaboration in coalmining projects in India. The amount includes Rs 200 crore in foreign exchange. Whereas the Indian side was represented by the Coal India chairman G L Tandon, Mr A Jochums, Chairman of German Coal Coordination Centre signed the protocol on behalf of his country.

According to Central Mine Planning and Design Institute Limited Sources collaboration would involve scientific and modern method of extracting coal through pen pit coal mining on bigger scale compared to the highly expensive deep coal mining method practised hitherto. The collaboration would also lead to improvement in the quality of coal to be used by such consumers as steel plants, the sources said.

According to the sources, the package of collaboration projects included induction of fast ploughing technology and extraction of thick coal seam under hard roof strata by the caving method which would eliminate filling or packing or sand stowing of extracted areas which usually proved to be difficult proposition in view of the scarcity of sand in coal field areas. The collaboration also envisages beneficiation of non-coking coal for use by power houses by adopting the technology developed by the Germans.

The sources also disclosed that protocol also included an exchange programme for training of Indian engineers in Germany and deputation of German experts in India in long wall making and coal beneficiation projects. It also outlined projects for application of three dimensional high resolution seismic surveys in seam exploration for early application in Indian Coal mines and mining areas.

The signing of the protocol was preceded by a two-day Indo-German seminar on open pit mining jointly organised by the Central Mine Planning and Design Institute Limited, a subsidiary of Coal India Limited and the German Coal Coordination Centre on 21 and 22 November which was attended by 200 Indian and 35 German experts.

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CSO: 4600/1241

NONALIGNED YOUTH CONFERENCE MEETS IN NEW DELHI

Inaugural Meeting Reported

Bombay THE TIMES OF INDIA in English 20 Nov 85 p 1

[Text] New Delhi, Nov 19 (PTI)--The three-day Non-Aligned Youth Conference opened here today with a call to superpowers to abandon arms race, help in dismantling apartheid in South Africa and join hands in promoting peace and stability in the world to ensure better future for mankind.

Inaugurating the conference, dedicated to the memory of Mrs Indira Gandhi, the Prime Minister, Mr Rajiv Gandhi called for imposing comprehensive sanctions against the apartheid regime of South Africa and lashed out at the hypocrisy of certain powers which talked of freedom and human dignity but were "blind" to what was happening in Pretoria.

Sharing the platform with the Prime Minister were Mrs Zenani Dlimini, daughter of the veteran freedom fighter Nelson Mandela and chief of the Palestinian Liberation Organisation (PLO) Mr Yasser Arafat, who appealed to freedom-loving people to exert their maximum against racism, colonialism and exploitation in any form.

Mr Rajiv Gandhi hoped that US-Soviet summit level talks would give the world a message of peace by endorsing disarmament which was the prime need of the hour.

Referring to the non-aligned movement, the Prime Minister said it was the greatest peace movement effort. Today, two-thirds of humanity supported this movement as there were 104 nations who stood for peace, freedom, democracy and for ending of subjugation in certain parts of the world, he said.

Mr Gandhi said that the non-aligned movement had developed over the years into a major force comprising group of countries who cherished similar ideas and thoughts and had developed certain postulates and values.

"There is attempt to confuse liberation movements with terrorism to thwart freedom struggles," the Prime Minister said. "We condemn terrorism in any form and abhor such acts."

The Prime Minister, referring to the situation in South Africa said India had always been for imposition of comprehensive mandatory sanctions against the Pretorian regime.

It was unfortunate that those very nations who talk of freedom and human dignity were blind when they looked towards Pretoria, he added. "It is this hypocrisy that we have to counter," Mr Gandhi said.

Speaking of dangers of unilateral actions, Mr Gandhi said "we have an international system under the aegis of the United Nations and I would be the last person to say that it had no power."

Paying his tribute to the late Prime Minister, Mrs Indira Gandhi, Mr Gandhi said that she fought not just for India's independence and unity but raised her voice for every oppressed and suppressed of the world.

Mr Gandhi said that during the stewardship of Mrs Gandhi the non-aligned movement had gathered new strength and momentum.

The non-aligned movement, he said, was not limited to political arena. It was the movement for rights of those still under subjugation and against neo-colonialism and neo-imperialism.

'Star Wars'

In an apparent reference to "Star Wars," the Prime Minister said it had added a new dimension in armament. He said India looked towards the youth of the world to raise their voice for democracy, human rights and lasting global peace.

Mr Anand Sharma, IYC president, pleaded for declaring the Indian ocean as a zone of peace and dismantling of apartheid in South Africa.

He also criticised the colossal wastage of human resources on military spendings and suggested that huge amounts spent on armament be diverted for providing better quality of life to the people.

Mrs Zenani Dlimini spoke of atrocities of the racist regime in South Africa and appealed to the "freedom-loving" people of the world to exert their influence for the ouster of the apartheid regime.

Mr Yasser Arafat expressed his solidarity with the people of South Africa and Namibia and denounced the ceaseless aggression by imperialists against the people of Palestine who were fighting for their legitimate rights.

About 300 delegates from abroad, including MPs and ministers, are taking part in the conference.

Meanwhile, the vice-president, Mr R. Venkataraman, today called upon the youth of the non-aligned countries to work with unremitting zeal to usher in new economic order, devoid of exploitation of any form of the poor nations.

The vice-president who was declaring open a photo exhibition on the non-aligned movement here, said 20 percent economically rich were ruling the roost at the cost of 80 percent poor people. The youth should address themselves to this problem as there could not be peace in the world when overwhelming majority was reeling in abject poverty.

More Details on Inaugural

Madras THE HINDU in English 20 Nov 85 p 9

[Text] New Delhi, Nov 19--The Prime Minister, Mr Rajiv Gandhi, today expressed the hope that the Geneva summit would concentrate on efforts for disarmament. The world would be disappointed if the Soviet and American leaders failed to agree on disarmament, he said adding: "The message of Geneva must be a message of peace, peaceful coexistence and better understanding." He wished success to President Reagan and Mr Mikhail Gorbachev.

Choosing the Geneva summit as one of the themes of his inaugural address to the three-day non-aligned youth conference, Mr Gandhi cautioned that humanity was in graver danger than ever before and disarmament was one of the major causes to be supported. That, according to him, was also the belief of the non-aligned movement.

Mr Yasser Arafat, Chairman of the Palestine Liberation Organisation (PLO), who attended the inaugural function, pleaded for all-round support to the liberation struggles in different parts of the world against common enemies such as Zionism imperialism and racism.

Mr Gandi drew attention to another danger facing the world today--of unilateral action which could lead to international anarchy. There could be flaws in international forums like the U.N. but there was need to strengthen them and thwart unilateral action.

Hypocrisy: Dealing with other aspects of the present-day situation, Mr Gandhi referred to the "hypocrisy" involved in the talk of freedom by the nations that opposed liberation struggles. He wanted this trend to be fought. At the same time, he would not like terrorism to be confused with liberation movements. The norms of balance of power and spheres of influence, he said, could only increase armament and not lead to peace.

Apartheid, biggest shame: In some corners of the world, people were not yet regarded as human beings, he said, describing apartheid as the biggest shame. He also referred to the valiant fight by the PLO. India would continue to support these struggles, apart from working for mandatory sanctions against South Africa. The non-aligned movement, which now covered two-thirds of the world, stood not only for the rights of the subjugated people but also for the economic rights of all the developing countries. He regarded it as the only movement in the world that championed free democratic expression in the international sphered. It had gathered new strength and momentum under Mrs Gandhi, he said.

Arafat castigates U.S.: In a hard-hitting speech, Mr Arafat said that by involving the American people in the Arab-Israel conflict, Mr Reagan was repeating the mistake made by Lyndon Johnson in Vietnam. He wanted Mr Reagan to realise that he would be the loser in this war. The world, he said, faced a serious escalation of war due to the "aggressive policies and premeditated, organised criminal attempts to the U.S. and Israel."

Protest note: The youth meet has evoked sharp protests from a number of youth and student organisations here. A note issued by a number of organisations, including the DYFI, AIYF, Yuva Lok Dal and SFI, welcomed the delegates but said the Indian Youth Congress (I) headed by Mr Anand Sharma had excluded them from the meet. They noted that all youth organisations usually participated jointly in meets outside the country. In the 12th world youth festival held in Moscow earlier this year, they had formed themselves into a national preparatory committee, despite differing ideological stances.

These organisations urged the conference to adopt strong resolutions in support of the national liberation struggles in South Africa and Namibia (South West Africa) and in opposition to the abhorrent doctrine of apartheid.

Mrs Zenani Dlamini, daughter of the imprisoned South African black leader Mr Nelson Mandela, who is attending the youth meet, spoke of the farsightedness of Indira Gandhi in calling for mandatory sanctions against the Botha regime on moral considerations. South Africa was today in deep economic and political crisis brought about by an "archaic, racist regime" but the process of killing the obnoxious apartheid had been set in motion" and the people would not be cowed down despite western support to the Pretoria regime.

Mr Arafat, Mrs Dlamini and the Algerian delegate Mr Nooruddin Jalili, paid tributes to Indira Gandhi, who had been the unwavering champion of liberation movements all over the world and given her life in fighting for her ideals. They commended the decision to dedicate the conference to her memory.

Earlier, welcoming the delegates, Mr Anand Sharma spoke of the "insecurity and turbulence" in a world where peace eluded mankind due to the nuclear holocaust and the vestiges of colonialism which threatened to "efface human history." It was unfortunate that "while bread is scarce, guns are abundant" and the new international economic order was still a "mirage."

Meeting Ends, Resolutions Adopted

New Delhi PATRIOT in English 22 Nov 85 p 3

[Text] The Non-aligned Youth Conference, which concluded in the Capital on Thursday, called for a more balanced global economic situation and expressed the need for greater mutual understanding and coordination between the youth organisations of the non-aligned countries and the other countries to affirm solidarity with those fighting imperialism.

The call was given in the economic chapter of the declaration adopted by the conference. While the economic draft was adopted late in the afternoon, the political resolution was adopted by late evening though no formal announcement of the declaration was made by the organisers, as the conference closed.

The economic resolution, whose salient points were given to the press at the official briefing, notes that greater interaction between the youth of the NAM and other countries is a must for the struggle against imperialism and exploitation in the economic field and for the purpose of freedom and socio-economic transformation.

Mr R. Kumaramangalam, an Indian delegate who addressed newsmen, said that the economic draft resolution was carried unanimously and the amendments were for use of stronger "terminology of the young."

The committee on the economic draft resolution considered the current global economic crisis in all its aspects. According to sources, there was some lobbying on the terminology of the resolution by delegates of countries with leaning to each power bloc in the world with the delegates of one country opposing the stand of another.

But the lobbying on the political resolution of the declaration was reported to be more intense both on the language of the resolution as well as on the issue of continuity of the youth conference and the setting up of a permanent bureau.

According to spokesman Suresh Pachauri, who addressed the press meet, the Indian delegation did not put forward any resolution on the subject of continuity of the conference.

The press conference was also addressed by Mr Utony Nujomo, son of SWAPO leader Sam Nujomo, and Mr Alfred Barnechea of Peru, who was the Rapporteur-General of the conference.

According to Mr Barnechea, in the political aspect, the conference has focused on disarmament both of nuclear and conventional weapons and supported the UN and other such fora for the settlement of issues.

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CSO: 4600/1224

ANALYST DISCUSSES RAJIV STYLE IN APPOINTMENTS

Madras THE HINDU in English 16 Nov 85 p 1

[Article by G.K. Reddy]

[Text] New Delhi, Nov 15--Mr Arjun Singh, who yesterday submitted his resignation as Punjab Governor, was today sworn in as the Commerce Minister in the Central Government.

The Minister of State, Mr Khurshed Alam Khan, who was given independent charge of the Commerce portfolio during the recent Cabinet reshuffle, has been assigned Textile in a similar capacity after detaching it from the Commerce Ministry.

The strength of the Cabinet has now gone up to 17, including the Prime Minister, with Mr Arjun Singh's appointment. The Union Council of Ministers now consists of 52--seventeen Cabinet rank Ministers, 32 Ministers of State and three Deputy Ministers--which is well within the prescribed limit.

More after Assam poll: But the Prime Minister, Mr Rajiv Gandhi, gave a hint today that he might add a few more after the Assam elections to give due representation to a State like Punjab which is totally unrepresented at present.

Mr Rajiv Gandhi also hinted in the course of a chat with pressmen at Rashtrapati Bhavan when Mr Arjun Singh was sworn in this morning, that the decision to have a new Lt Governor in Delhi was the result of a thorough review made a couple of months ago about the functioning of the Delhi administration. But the outgoing Lt Governor, Mr M.M.K. Wali, who had been replaced, is evidently being considered for some other assignment.

The decision to include Mr Arjun Singh in the Central Cabinet was widely acclaimed in Congress (I) circles here, although a section of opinion within the ruling party felt that he should have been allowed to continue as Governor of Punjab for another three months at least till the implementation of the Rajiv-Longowal accord that led to restoration of popular Government there.

A former Chief Minister of Madhya Pradesh who ran this vast heterogenous State with a firm hand for a full five-year tenure, he proved to be equally successful in handling the Punjab situation. Now he has been brought to the Centre and given an important economic portfolio which will require an entirely different approach on his part.

Needless secrecy: There is no doubt, considerable admiration for Mr Rajiv Ganchi for the promptness with which he has been taking decisions in regard to both important administrative matters and senior appointments. But there is also an uneasy feeling here over the needless secrecy surrounding such decisions.

For instance, none of the Governors involved in the latest changes had been told about their new appointments and transfers until the previous night. Nor had the Chief Ministers of the States concerned been informed in advance, let alone consulted, about these appointments.

The Prime Minister has certainly taken some bold and welcome steps to revamp the administrative machinery by weeding out many inefficient officials and putting more promising ones in key positions. But he has not yet been able to evolve a proper equation with the bureaucracy for getting work out of it.

It is this aspect of the new style of leadership at the Centre that has been coming in for some carping criticism. But the general public is inclined to take the view that his bold and innovative moves, no matter how they might affect a few individuals, have created an atmosphere of a change for the better besides arousing high expectations.

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CSO: 4600/1213

PAPERS REPORT RAJIV INTERVIEW WITH DUBAYY NEWSPAPER

Andaman Island Plans

Bombay THE TIMES OF INDIA in English 18 Nov 85 p 1

[Text] New Delhi, Nov 17 (PTI)--India proposes to open up one of the Andaman and Nicobar group of islands to Indian and non-resident investment, the Prime Minister, Mr Rajiv Gandhi, said.

"I envisage opening up one island to Indian and non-resident investment with many facilities vis-a-vis taxes, trade and other conveniences," the Prime Minister said in an interview to "The Khaleej Times" of Dubai.

Non-resident Indians, including those settled in Dubai, have been pressing upon the government to make such a move. Mr Gandhi said there were some constitutional and other problems. "But we are trying to sort them out and I am optimistic that we will be able to manage to do something," he said.

Mr Gandhi said he did not believe there was need for any special resettlement schemes for Indians returning home. "Firstly, we don't have so many coming back. Secondly, those who do return are financially strong and do not need our help to resettle," he said.

"We have given a lot of openings under the new industrial policy and the new tax policies and they should have plenty of room for investment," the Prime Minister said. As regards specific areas of investment, he said: "We need a lot. We have got a very wide base but the market is so vast that a lot more than come in."

"But on the side of higher technology we are really looking towards agriculture based technologies, whether they are bio-genetics, or irrigation, power, fertilisers--which is an area where we have been co-operating with west Asian countries--and the related areas which in India are really support areas, such as high technology in defence and electronics," he said.

He said there had been little progress with the special incentive scheme for investment from oil exporting developing countries. He hoped the new commerce minister, Mr Arjun Singh, would be able to investigate the problems.

"It is something which requires looking into because it is a good scheme and we should try and see why it hasn't worked," he said.

During the interview, recorded on the eve of his departure for Muscat to participate in the celebrations marking the 15th anniversary of the accession of King Qaboos, Mr Gandhi replied to an array of questions on India-Oman relations, India's trade performance in the Gulf, the Iran-Iraq war, the Palestinian issue and non-resident Indian investment in India.

Answering a question on the Palestinian issue, Mr Gandhi said India's support for Palestinian rights was well known. He felt the key to progress could lie with the proposed international conference.

The Prime Minister is not optimistic about an early breakthrough in efforts to end the five-year-old Iran-Iraq war.

This evening, Mr Rajiv Gandhi was given a warm sendoff when he left here this evening for Muscat.

Mr Gandhi was accompanied by a high-level delegation including the minister of state for power, Mr Arif Mohammad Khan, the foreign secretary, Mr Romesh Bhandari, the external affairs secretary, Mr N.P. Jain, additional secretary to the prime minister, Mr C.R. Ghare Khan, and joint secretary Mr Mani Shankar Aiyer.

The President, Mr Zail Singh, greeted Sultan Qaboos Bin Said on the occasion of the Omani national day.

More Details Given

Calcutta THE TELEGRAPH in English 18 Nov 85 p 4

[Text] New Delhi, Nov 17 (PTI, UNI)--The Prime Minister, Mr Rajiv Gandhi, feels that existing tensions between India and Pakistan must be reduced. In an interview to Khaleej Times of Dubai, Mr Gandhi said it was ridiculous to find the two countries not getting on well.

"The people are the same. The border has really been drawn up by the British. There is no real dividing line there and there is no reason why we cannot get along better," Mr Gandhi told Mr Geoffrey Malone, the newspaper's South Asia correspondent.

During the interview, recorded on the eve of his departure for Muscat to participate in the celebrations marking the 15th anniversary of the accession of Oman's Sultan Qaboos, Mr Gandhi replied to an array of questions on India-Oman relations, India's trade performance in the Gulf, Iran-Iraq war, the Palestinian issue and non-resident Indian investment in India.

Mr Gandhi was asked whether his talks in Muscat with the Pakistan President, Gen Zia-ul-Haq would be influenced by the example of Indians and Pakistanis who managed to work and live together in the Gulf without any of the tensions existing betweeen their two countries.

"We have never had any tension between Indians and Pakistanis. When I was in college, we had lots of Pakistani friends and just recently we went back to my old school (Doon School) and had a large contingent of ex-schoolboys from Pakistan. There is absolutely no problem," the Prime Minister said.

There were certainly some problems between the governments of the two countries on certain issues which they were trying to sort out, Mr Gandhi said. "We have made headway on some and less on others. But this is a continuing exercise."

Some of the items on which the two countries get bogged down attract greater media interest and get projected more, he said. "Every time the media gets so involved in such issues, it does make it much harder for us to bring them down to rational level again," he added.

Iran-Iraq war

Mr Gandhi ruled out any more Indian initiatives in the near future in resolving the protracted Iran-Iraq conflicts as, he said nobody had really made any headway in this regard.

He said the position taken by the two warring nonaligned countries was "very hard" and he did not see "anything major coming" which would help in reducing tension in the Gulf. Mr Gandhi indicated that he would discuss the Gulf war with other leaders during his stay in Muscat, but said he saw no cause for optimism. "I have not had any indication that there could be an opening (to resolve the Iran-Iraq war)," he said.

Support to PLO

Mr Gandhi said India's support to the Palestinian cause was well-known, but the key to this really lay in convincing the Israelis. "The problem is that nothing seems to be moving at present," he observed.

He felt something could come out of the US-Soviet Geneva summit though he had no particular hope.

India's ties with W. Asia

Dwelling on India's relations with West Asia, the Prime Minister said it was very old, dating back to the Indus Valley civilisation. Mr Gandhi said: "We have a lot in common between our societies."

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CSO: 4600/1218

RAJIV SPEECH TO ASTRONOMICAL UNION REPORTED

Madras THE HINDU in English 20 Nov 85 p 1

[Text]

NEW DELHI, Nov. 19.

The Prime Minister, Mr. Rajiv Gandhi, today said political barriers would not prevent India having ties at the scientific level.

Inaugurating the 19th general assembly of the International Astronomical Union (IAU), Mr. Gandhi said, the world's biggest problem today "is political barriers but there are many areas, one of them science, that cut across nations irrespective of what the barriers are." Science preached brotherhood and oneness.

Talking about Indian science in the present days, the Prime Minister said "If India is to progress, scientific temper must be built into our culture" and it should not be confined to a few pockets at the higher level.

Pointing out that the pyramid of science must be built on a local base from bottom up, he said "This is the direction we would like to take."

Science for human development: Since the days of Jahawarlal Nehru India had been committed to using science and technology for the development of the human being.

Scientists must strike a balance between the 20th century science and technology, on the one hand, and values, spirituality and inter strength "inherited from our ancient civilisation" on the other. India succeeded in areas where the latest technology was applied. "But no success was achieved in those areas where we failed to apply the latest technology."

Mr. Gandhi, paying rich tribues to the late astronomer, Dr. M. K. Vainu Bappu, former IAU president, said India had a long tradition of astronomy. Some of the early masonry observatories such as the Jantar Mantar here "are still serving a useful purpose." Indian astronomers had been in touch with their counterparts abroad for a long time and this "helped in the development of our sciences."

The Prime Minister also released a commemorative stamp depicting the Halley's comet.

The IAU president, Mr. Hanbury Brown, underlined the importance of international cooperation, particularly in astronomy.

A total of 1400 astronomers from all over the country including 300 from India are taking part in the 10-day conference, being held for the first time in the country. There will be 42 commission meetings to discuss specific topics on the sun, the planets, comets and related disciplines. In addition, there will be 250 individual meetings. Besides a session on the Halley's comet, the conference will discuss radio astronomy and cosmology, solar and stellar non-radial oscillations, supernovae and evolution in young populations in galaxies.

'Scientific temper must be inculcated: Inaugurating the 78th general conference of the Federation Aeronatique Internationale (FAI) here, Mr. Gandhi underlined the need for inculcating a "scientific temper" among the people of India and other developing countries so that they could accept and absorb the latest technology. "We must bring in new technology to help ourselves in removing poverty".

Mr. Gandhi said the best available technology would be inducted to develop the indigenous aviation industry and all efforts made to bring the majority of rural areas on the air map.

Civil flying training procedures were being further upgraded to make the Indian pilots more efficient than in the most advanced countries.

In all future plans, the stress would be on making air travel within the reach of the common man, including people in the rural areas.

Seventyfour countries are participating in the five-day conference being hosted by the Aero Club of India for the second time. The first time India hosted such a conference was in 1970.

The federation president, Dr. Cenek Kepak, presented the Prime Minister with a cut-glass vase with the FAI insignia inscribed on it.—PTI

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CSO: 4600/1220

DEFENSE MINISTER ANSWERS QUESTIONS IN RAJYA SABHA

Madras THE HINDU in English 29 Nov 85 p 6

[Text] New Delhi, Nov 28--The Government has initiated necessary action to acquire AWACS (airborne warning and control system) capability indigenously, the Minister of State for Defence, Mr Arun Singh, informed the Rajya Sabha today.

It would not be appropriate to discuss further details because of security reasons, he said in a written answer.

U.S. arms for Pak: The U.S. Government recently approved the sale of 110 armoured personnel carriers and 88 self-propelled howitzers valued at $103 millions to Pakistan, Mr Arun Singh told the House.

"The induction of such sophisticated weapons in our neighbourhood is a matter of concern as it would lead to an unfortunate arms race in the subcontinent imposing a severe strain on our scarce resources."

Mr Arun Singh further said: "Our concern in this regard has been conveyed to the U.S. Government on a number of occasions."

Replying to another question, Mr Arun Singh said there was no evidence to suggest any unusual movement or concentration of Pakistani forces or unusual winter stocking along the line of control in Jammu and Kashmir.

The Government was keeping a watch on all these developments and taking appropriate measures to ensure full defence preparedness.

Unprovoked firing: To another question he replied that there had been some cases of exchange of fire between Indian and Pakistani troops along the line of control in Jammu and Kashmir resulting in some casualties on both sides.

Mr Arun Singh said there have been some cases of unprovoked firing by Pakistani troops in the Poonch sector during the last two months. However, there had been no firing incident in the Rajouri sector in this period.

He told Mr Syed Ahmad Hashmi that there had also been some cases of violation of Indian airspace by Pakistani aircraft during the same period.

The Minister told Mr K.K. Birla and others that Pakistani troops had been firing on Indian troops in the Siachen area. Apart from the firing incidents there had been no ground or air encounter between the two sides in the area in September.

Substitute for Vikrant: No negotiations were being conducted with the U.K. for the purchase of Seaking helicopters or of HMS Hermes although an offer for the latter had been received, the Minister told Mrs Maimoona Sultan.

He said INS Vikrant was due for replacement in the 1900's and various alternatives for its replacement were being examined by the Indian Navy.

Westland copters: There was no decision either to go in for Westland helicopters although a proposal relating to their induction for civilian use was under the consideration of the Civil Aviation Department, the Minister told Mr Suresh Pachouri.

He said an earlier offer of Westland Helicopters was not accepted because the helicopters did not meet our specific requirements and their cost of operation was not competitive.

Their revised offer both in technical and financial terms was now under consideration.

He said a contract had been signed on November 25 with British Aerospace U.K., for the supply of 11 Sea Harrier aircraft together with supporting equipment and spares. A contract had also been signed with M/s Rolls Royce, U.K. for some spare engines. The value of the supplies was about ₤150 millions.

Probe into irregularities: Mr Arun Singh said a staff court of inquiry had been ordered into irregularities in the award of contracts in the Military Engineering Services (MES), Dehradun.

Further action against the officers concerned would be taken after the finding of the staff court of inquiry became available, Mr Singh told Mr Virendra Verma.

He said a preliminary investigation by the board of officers had revealed certain irregularities in the matter of finalising tenders for certain items including fan purchase.--UNI & PTI

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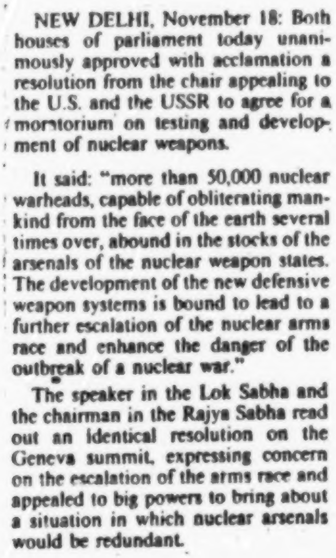
CSO: 4600/1239

PARLIAMENT URGES HALT TO BIG POWER ARMS TESTS

Bombay THE TIMES OF INDIA in English 19 Nov 85 p 1

[Excerpt]



NEW DELHI, November 18: Both houses of parliament today unanimously approved with acclamation a resolution from the chair appealing to the U.S. and the USSR to agree for a moratorium on testing and development of nuclear weapons.

It said: "more than 50,000 nuclear warheads, capable of obliterating mankind from the face of the earth several times over, abound in the stocks of the arsenals of the nuclear weapon states. The development of the new defensive weapon systems is bound to lead to a further escalation of the nuclear arms race and enhance the danger of the outbreak of a nuclear war."

The speaker in the Lok Sabha and the chairman in the Rajya Sabha read out an identical resolution on the Geneva summit, expressing concern on the escalation of the arms race and appealed to big powers to bring about a situation in which nuclear arsenals would be redundant.

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CSO: 4600/1216

INDIA REPORTED TOP THIRD WORLD ARMS MANUFACTURER

Bombay THE TIMES OF INDIA in English 28 Nov 85 p 9

[Text] London November 27 (UNI)--India has achieved a high level of sophistication in arms manufacture and is one of only four third world countries which produce all four categories of major weaponry systems--warplanes, ships, armoured vehicles and missiles--says "South," published from London. The others are China, Brazil and Argentina.

The monthly points out that SIPRI, the Stockholm research group, places India in the top rank of third-world arms makers in terms of volume and sophistication and second only to Brazil in arms production potential.

India is emerging as a significant arms exporter, the report says. The magazine says in its review that India produces a fair percentage of its own major weapons systems, and is near self-sufficiency in the manufacture of anti-tank guns, small arms and a wide range of ammunition.

The review points out that India's defence research and development organisation and its 36 ordnance factories collaborated in the production of 36 mm and 86.2 mm naval ammunition, 122 mm ground rockets and 81 mm illuminating rockets.

Other India-designed weapons included light-weight field-guns for mountain use, non-detectable anti-tank mines and state-of-the-art armour-piercing anti-tank shells.

The latest joint effort between research and manufacturing organisations had yielded futuristic new armour called "choban" for the main battle tank Arjuna, and technology which effectively reduced the weight of aluminium tank tracks by 2.5 times.

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CSO: 4600/1232

INDIA

FINANCE MINISTER MEETS WITH PANEL, BUDGETING DISCUSSED

Madras THE HINDU in English 21 Nov 85 p 1

[Text] New Delhi, Nov 20--The Central Government has decided to go in for zero-based budgeting from 1987-88 and preparatory exercise for this will be undertaken in 1986-87.

This was announced by the Union Finance Minister, Mr V.P. Singh, at a meeting of the Consultative Committee of members of Parliament attached to his Ministry here today.

(Under zero-based budgeting, the budget makers start from "ground zero" each year, and requests from various agencies for funds are considered on the basis of cost-benefit or some similar kind of evaluation.)

It was informed that to some extent the concept of zero-based budgeting would be reflected in the 1986-87 budget itself because a committee headed by the Cabinet Secretary was currently going into the working of all ministries with a view to pruning those activities that had outlived their utility. But a thorough survey of activities would be undertaken and modalities finalised in consultation with experts next year for the switch-over to zero-based budgeting.

Expenditure control: The main topic of discussion was control of expenditure and the committee was apprised of the reforms undertaken recently in the Finance Ministry to streamline procedures for control of expenditures. The Finance Minister underlined the importance of expenditure control in the context of resource constraints for the implementation of the Seventh Plan. He said restraint in deficit financing and need to have non-inflationary growth were two important factors required for Plan implementation.

The Plan document had projected a negative balance from current revenue to the tune of Rs 12,000 crores and to that extent there would have to be dependence on borrowings and non-tax revenues. But there could not be too much of borrowings as that would increase the interest burden. To contain the deficit financing to the level projected in the Plan document, it was necessary to have a hard look at the important components of non-plan expenditure.

Revenue collections exceed: So far as resource generation was concerned, the Finance Minister was optimistic that the Plan target would be achieved. In the current year, he said, the budget estimate of revenue collection would be exceeded. The revenue collections during the first seven months (April to October) this year totalled Rs 14,103 crores, which represented an increase of 22.5 percent over the level achieved in the corresponding period of 1984-85. The customs revenue had risen by 33 percent to Rs 4,972.5 crores, excise duty by 15.2 percent to Rs 7,030.7 crores and direct taxes by 25.4 percent to Rs 2,100.35 crores.

In the case of customs revenue, 60.89 percent of the budget estimate for the whole year had been achieved in seven months. In the case of excise it was 57.5 percent and direct taxes 43.6 percent. Based on this trend, the Government felt that the budget estimate of Rs 25,208 crores of revenue collections under all the three heads would be exceeded by ten percent.

Members to take part in budget exercise: The Finance Minister said he proposed to associate members of the consultative committee in the pre-budget exercise. He would have a meeting with them in the first week of December to have their views on sectoral planning, expenditure control, etc. during 1986-87. This would be the first time that the members of Parliament would be taken into confidence much in advance of the budget about resource projections and other budgetary details. This proposal was commended by the members.

Expenditure panel suggested: In the course of the discussion, the members referred to faulty implementation of projects and wanted full funding to be ensured. It was suggested that an expenditure commission should be set up to go into the expenditure of Central Government periodically and recommend measures to check undue ruse. In this context, it was pointed out that once in five years the expenditure of State Governments was scrutinised by the Finance Commission and there should be a similar exercise in respect of Central expenditure.

Ban on ecruitment: Dr A. Kalanidhi (DMK) complained that the ban on recruitment had affected important projects. For instance, the Madras rapid transit project had been hit because the project authorities could not recruit necessary manpower. It was explained by the officials that the ban was not absolute and the project authorities would be permitted to make recruitment provided they made out a case for it.

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CSO: 4600/1223

DECLINE IN INFLATION NOTED, SOME PRICES HIGHER

Bombay THE TIMES OF INDIA in English 23 Nov 85 p 9

[Text]

NEW DELHI, November 22.

THE government today claimed a decline in the inflation rate to 4.8 per cent, but conceded that the prices of some essential commodities have moved up.

At the same time, it was stated that the availability of essential commodities has been generally satisfactory.

The issue came up through a calling attention motion in the Lok Sabha, to which the government responded by outlining the measures being taken to encourage production, ensure availability of essential items and to check prices.

The minister of state for food and civil supplies, Mr. K. P. Singh Deo, noted that the annual rate of inflation had declined from 9.2 per cent in March 1984 to six per cent in March, this year. The rate had declined further to 4.8 per cent in the first week of November.

PRICE INDEX

During the first seven months of the current financial year, the wholesale price index has moved up by less than four per cent, he said.

During the past 13 weeks ending November 2, the wholesale price index fell by two per cent. However, the prices of some essential commodities moved up.

He thought it was remarkable that during the lean period and the festival season the supply position of various essential commodities has been, by and large, satisfactory.

As for sugar production, it has been sluggish during the past two years, necessitating substantial imports. To enable the sugar factories to pay remunerative prices for cane, the statutory minimum price of sugarcane has been raised from Rs. 14 a quintal linked to recovery of 8.5 per cent to Rs. 16.50 a quintal linked to recovery of 8.5 per cent for the current year and to Rs. 17 a quintal linked to recovery of 8.5 per cent for the next sugar year.

As a consequence, the retail price of levy sugar has been raised by 40 paise per kg effective December 1. It was hoped that this would provide encouragement for enhancing the production of sugarcane and sugar.

He also said it was to encourage domestic production that issue prices of imported edible oils to the vanaspati industry and for the public distribution system had been raised by Rs. 2,000 per tonne and Rs. 1,000 a tonne respectively from November 15.

Simultaneously, the supply of imported edible oils to the vanaspati industry had been reduced from 60 per cent of their requirement to 50 per cent.

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CSO: 4600/1227

AGRICULTURE POLICY SAID TO HAVE OUTLIVED USEFULNESS

Bombay THE TIMES OF INDIA in English 18 Nov 85 p 7

[Text] New Delhi, November 17 (PTI)--The present agriculture policy, evolved in the sixties in the wake of mounting food crisis in the country, has outlived its utility and should be reviewed afresh, a study by the centre for policy research has concluded.

The study on "agriculture towards 2000: a 15-year policy perspective (1985-2000)," points out that in the coming years the small and marginal farmers must benefit in a large measure from new strategies of agricultural growth.

The Green Revolution made India self-sufficient in foodgrains but, at the same time, produced serious imbalances in crop production, distorted cropping pattern, increased fluctuations in yearly agricultural output and widened inter-state and inter-regional disparities in agricultural growth rates, according to Dr B.M. Bhatia the author of the study.

The study observed that all this worked to the disadvantage of the weaker section of the farmers and agriculturally-backward regions with the result agriculture has come to be divided into two district parts. This comprised the irrigated 30 percent which accounts for 55 percent of the total agricultural produce of the country and unirrigated 70 percent which is rainfed, traditional and unprogressive accounting for 45 percent of the agricultural production.

It said the country in its drive for achieving plan targets in foodgrains and a few commercial crops production has been devoting all the available resources meant for agriculture, including plan outlays, research and extension services, to the former and almost completely neglecting the latter.

The study, by the well-known agriculture and food economist, said further increases in production and productivity in the favoured Green Revolution region was going to be attained only with sharply rising unit cost.

The study said the most serious disadvantage of the agricultural policy has been that growth of agriculture has failed to make any dent into the problem of rural poverty and unemployment.

It said in large agrarian economies of Asia, like those of China and India, the problem of rural poverty and surplus labour can be solved only through growth of agricultural incomes and employment at the grass root level.

Change in Strategy

Solution to the problem of poverty should be sought by changing the development strategy and devoting greater attention to an even growth of agriculture and rural sector of the economy throughout the country, according to Dr Bhatia.

The whole policy thrust towards agriculture needs a fresh review, the study added.

The study said past experience and the present economic situation would suggest that the country should change over to a new growth strategy in which agriculture is made the lead sector in the entire growth process and the base for growth of industrial and tertiary sectors.

It suggests that modernisation of agriculture at the grass root level was the very essence of the proposed policy framework for economic growth.

The study also called for a comprehensive review of agricultural subsidies and the agricultural price policy both of which were increasingly becoming unsustainable.

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CSO: 4600/1217

HIGH-LEVEL COMMITTEE ON TRADE POLICY FORMED

Bombay THE TIMES OF INDIA in English 30 Oct 85 p 1

[Text] Bombay, October 29--The municipal administration today finalised an interim agreement covering wage revision and other allowances to its 125,000 employees. The benefits will cost the civic exchequer Rs 18 crores annually.

The settlement was arrived at between the administration and the Municipal Mazdoor Union, led by Mr Sharad Rao and the Mumbai Mahanagarpalika Karmachari Mahasangh, a two-member group which represented 28 other splinter unions.

All employees who were in municipal service as on March 31, 1984 will be paid an ad hoc advance of Rs 545 before Divali, it was decided. Those who joined between April 1984 and June 1985 will be paid Rs 375 and others who joined still later will be paid Rs 80.

The interim relief, to be paid with effect from July 1985, varies between Rs 65 and Rs 100 per month for various slabs. The increase in leave travel assistance with effect from April 1986 ranges between Rs 150 to Rs 250. Medical aid has also been raised from Rs 15 to Rs 30 per month for all employees.

The decisions are subject to the approval of the standing committee, the education committee (in case of school employees) and the corporation.

The final settlement will be drawn up only after the task of job evaluation, currently being carried out by the National Productivity Council, is completed. The exercise is expected to take about two years.

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CSO: 4600/1211

REPORTAGE ON TRIPARTITE LABOR CONFERENCE

Proceedings Summarized

Bombay THE TIMES OF INDIA in English 26 Nov 85 p 9

[Text] New Delhi, November 25--Participants in their plenary speeches at the 28th session of the tripartite labour conference mostly restated their positions, with labour's thrust on security of employment and employers wanting industrial relations to be oriented towards higher production and productivity.

They also heard Central and state ministers reiterating the government's commitment to tripartism in industrial relations and social justice.

Meeting after an interval of 14 years, the conference had the largest representation with unions having a membership of more than 100,000 allowed to participate. This was at once the strength and limitation of the conference. Any consensus reached on the long list of items should be entitled to the widest support but at a large and diverse gathering the points of agreement would necessarily be narrowed down. These are to be finalised tomorrow.

The Prime Minister, Mr Rajiv Gandhi, underscored the need for infusing a "work ethos" and "work culture" in the industrial sector and made an impassioned plea to stop exploitation of the unorganised labour.

He told managers of industry, trade unions and workers to see that enough employment was generated not only in the organised but also in the unorganised sector.

Mr Gandhi hoped that in the seventh plan, in which prominence has been given to employment generation, enough jobs would be forthcoming.

Spokesmen of the public sector found themselves at variance with the views of the unions as much as private sector employers.

The unions complained about the agenda itself which, according to them, did not give priority to matters concerning job and social security, resettlement in case of closures, giving more purchasing power to workers and the like. They said they were not consulted on the agenda.

The need for keeping in view social perspectives in industrial relations was also stressed by Mr Keshub Mahindra (employers).

The growing incidence of violence in industrial relations also came in for mention with employers and unions blaming each other.

An interesting concept in respect of participative management was advanced by the managing director of the Central Warehousing Corporation, Mr M.K. Garg. He proposed that representation should be given at all levels to employees and not unions. He also thought that total abolition of contract labour was not feasible.

The labour minister, Mr T. Anjiah, who presided, held the employers and workers equally responsible for the maintenance of industrial peace. He sought voluntary arbitration when disputes could not be resolved by collective bargaining.

Addressing the conference, the finance minister, Mr V.P. Singh, spoke of the need for justice to all and said no model of growth would be stable unless prosperity was shared across the board.

Mr Singh informed the participants that in the new bill to curb industrial sickness, which is before parliament, a provision would be incorporated to ensure that no institutional finance was forthcoming to units which had turned sick due to mismanagement or diversion of funds.

Among the early speakers, Mr G. Ramanujam, president of INTUC, agreed on the need for new thinking, new attitudes and approach and said the traditional way of mutual recrimination should go. This should be an occasion for a joint search for all-round improvement.

The Maharashtra labour minister, MR N.M. Tidke, suggested that conciliation be effective and expeditious. Participative managements should be given legal shape. The entire formula of bonus needed a fresh look and a committee should go into it and the decisions made applicable for a minimum period of time.

The president of the All-India Organisation of Employers, Mr Yogendra Modi, said job security should not be misinterpreted as a protection to the indisciplined and non-producing employee. Employers should not be constrained from replacing such employees. The government must support evolution of such a work ethos, both in policy and action.

Mr Santi Ranjan Ghatak, minister in charge of labour in West Bengal, thought that the higher percentage of mandays lost through lock-outs was because of obsolescence, lack of product development, diversion of funds and lack of business integrity.

The president of the Employers Federation of India, Mr Keshub Mahindra, underscored the "formidable distances" in industrial relations which blocked the achievement of plan targets.

"Code of Discipline"

He said: "What we need is an objective assessment of current anomalies and shortcomings, a pragmatic approach to the implementation of existing rules and regulations which remain suspended in actual practice and action by the government on decisions arrived at unanimously.

He wanted the environment of confrontation to be replaced by one of participation.

He advocated the concept of productivity-linked wages and a code of discipline for employers, unions and the government. Stating that "we are not opposed to employee participation in management, he favoured a step-by-step process in every direction."

Mr Mahindra called for a permanent forum in which employers, workers and the government could meet from time to time. He suggested setting up of special committees under the main umbrella of this tripartite conference which will deal with specific subjects, deliberate and evolve methods to meet changing circumstances from time to time.

He said no ad hoc decisions should be taken by the government on major labour issues without consultation with employers and trade union leaders.

PTI adds: The AITUC general secretary, Mr Indrajit Gupta favoured strengthening the system of collective bargaining instead of constituting wage boards to arrive at a negotiated settlement between trade unions and the management.

"If we go back to wage boards, it will be a retrograde step," Mr Gupta said.

Consensus Proposal Reviewed

New Delhi PATRIOT in English 27 Nov 85 p 1

[Text] The 28th session of Indian Labour Conference agreed to revive the Standing Labour Committee (SLC) which according to the tentative proposal of the Union Labour Ministry will meet once in six months.

According to the proposal, the committee should be compact and its composition left to be decided by the Labour Minister. The ministry describing draft proposals as of a consensus asked the trade union centres and employers organisations to give their objections if any, within one week.

Apart from issues like child labour, safety and health, gratuity insurance scheme, raising the employers' contribution to the provident fund from eight to 10 percent, the major issue of fixing the criterion for the representation of workers participation at the ILC and modalities for the implementation of workers participation in management were left to be considered by the SLC.

According to the consensus proposal, the scheme of the workers participation in the management should be implemented in the public, private and cooperative sectors. The question whether this scheme would be voluntary or made statutory as well as the modalities of implementation are left for the SLC to finalise.

Expressing concern over the growing incidence of sickness, it said that a standing committee should be set up to monitor the problem of sickness and also to undertake indepth study of the individual cases of the closed units as well as units identified as potentially sick. While suggesting preventive steps, it called for quick rehabilitation and revival of sick units.

Generally welcoming the Sick Industrial Companies (Special Provisions) Bill, 1985 now before Parliament the delegates wanted the Government to amend it suitably so as to bring within its purview sick units or otherwise healthy companies to prevent the latter from closing down the sick units. The conference also welcomed that interest of the workers should be fully represented in the constitution of the boards under the above Bill.

Expressing satisfaction on improvement in industrial relations, the conference proposed that disputes should be resolved through bipartite mechanism and where it was not possible tripartism could be resorted to. It called for giving preference to voluntary arbitrations to adjudications. The conference felt the need for increasing the number of labour courts and setting up of special benches in the High Courts and Supreme Court for consideration of labour matters.

Stressing for adequate training in workers in the use of safety equipment, the conference called for strengthening of existing safety and health measures. The conference desired that proposed amendment to the Factories Act should be expedited and more deterrent punishment to the repeated violaters of safety and health measures.

Expressing consensus in the favour of Gratuity Insurance Seheme as proposed by the Labour Ministry, the conference felt that employers' contribution to Provident Fund should be raised from eight to 10 percent.

Underlining the urgent need to improve the working conditions of the unorganised sector, it was felt that in this sector the workers' income should be raised and financial assistance should be enhanced. The conference also felt that where workers and employers mutually agree and have adequate alternative arrangements, they should be exempted from Employees State Insurance scheme.

After this consensus draft was read out by the labour secretary H.M.S. Bhatnagar non-INTUC union representatives got up to register their objection and it was pointed out that among other important missing issues there was no reference to deliberations on the recent Supreme Court judgment on Article 311-2 and demand for suitable amendment to guarantee security of job.

In the day some State labour ministers had a tough time when Labour Minister T. Anjaiah did not allow them to read out the prepared text of their speeches and asked them direct answers about what they have done in their States for labours' welfare. In one case State labour secretary had to come to the rescue of the State Labour Minister.

At one stage, it appeared that the ILC which met for 14 years would adjourn without a document but then Mr Kanti Mehta and Mr G. Ramanujam (both INTUC) suggested some points which finally formed the basis for reaching the tentative draft.

The Union Labour Minister, T. Anjaiah, who chaired the conference, announced he would soon convene a meeting of Labour Ministers and Labour Commissioners in Bombay to evolve a common Central Act on welfare of workers.

Meeting Terms Disappointing

Calcutta THE STATESMAN in English 28 Nov 85 pp 1, 9

[Text] New Delhi, Nov 27--The Union Labour Minister, Mr T. Anjaiah's announcement on the concluding day of the 28th session of the Indian Labour Conference yesterday that the next meeting would be held soon was welcomed by the participants. However, there was general disappointment over the way it all ended, with no firm accord on any issue.

The expectation at least among some that the conference, convened after a gap of 14 years, would give some new direction to employer-employee relations to lead the country faster on the road to progress remained totally unfulfilled.

What one heard of the ministerial speeches at the two-day session seemed as if they were all saying: "Please, let us please Rajivji." It was "our beloved Prime Minister has said about safety..." or "as Rajivji has said human resources are the most important asset in the country."

No wonder then, that Mr Anjaiah who chaired the meeting made it clear while dealing with a State Minister that he was looking for statistics to report to the Prime Minister. He cut short the Orissa Labour Minister and asked him to say what his State had done in regard to each agenda item.

His handling of the Orissa Minister went something like this: "Please don't read out your speech. Tell us what your State has done in regard to each of the agenda items." When the Minister persisted with his speech, Mr Anjaiah stopped him and said: "No speech, I will ask you one by one, you say what your State has done."

The question-answer interlude went like this: "Industrial relations situation?" "No major constraint." "Then sick units in your State?" "Very low." "Workers' participation (in management)?" "Very pleasant." "Safety in factories?" "We don't have trained officers." "Welfare funds for workers?" "We are waiting for guidelines from the Centre." "Child labour?" "We have no problem."

Earlier, the U.P. Minister for Energy, Mr Sunil Shastri, who had been deputed by his Government for the meeting, also found himself interrupted by an impatient Mr Anjaiah who said: "We can hear your speeches in the Labour Minister's conference. Tell us what your State has done." When, on the point of safety, Mr Anjaiah persistently asked the Minister if he would tell the Prime Minister that within six months all necessary safety measures would be taken in U.P., the perplexed Mr Shastri mumbled "yes."

At this stage an official intervened to point out to the Central Minister that the State had followed all Central instructions and guidelines and that its own suggestion for an immediate amendment of the Factories Act to enable the inspection staff to order shutting down of plants which were hazardous had not received any attention by the Centre. "I am afraid there might be more (Bhopal tragedies)," he warned.

One got the impression that Mr Anjaiah's concern over safety gathered special interest only after the Prime Minister's reference to it in his address to the conference the previous day. The way he was repeatedly referring to Mr Gandhi's own comments on safety justified such an impression.

There was the unmistakable impression that the conference could have achieved a lot more if only the Government had made adequate preparations, discussed the agenda with both workers' and employers' representatives, done enough spade work to focus attention on the points of consensus (instead of vainly trying to achieve a consensus on the floor of the conference hall) and generally giving a proper direction to the conference. After the din and noise of two days, controversial issues like the manner of choosing the bargaining agents or the method of encouraging workers' participation in management remained very much where they were.

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CSO: 4600/1234

OPPOSITION FORMULATES STRATEGY FOR WINTER SESSION

Madras THE HINDU in English 17 Nov 85 p 1

[Text] New Delhi, Nov 16--The opposition leaders of both the houses of Parliament, who met separately today to formulate their strategy for the winter session of Parliament beginning on Monday, decided to raise the failure of the Centre to act in the wake of the Supreme Court's strictures against the Jammu and Kashmir Governor, Mr Jagmohan.

The non-Congress (I) representatives in the Lok Sabha, who met at the house of the Janata leader, Prof Madhu Dandavate, decided to have "effective, proper floor coordination among parties" to ensure that their voice was heard in Parliament. The opposition leaders in the Rajya Sabha took strong exception to the decision of the Prime Minister, Mr Rajiv Gandhi, to attend the South Asia Regional Cooperation summit during the parliamentary session. Noting that Mr Gandhi would not be present on the opening day of the session, they said "it indicated scant respect shown by the Prime Minister to Parliament."

The rise in prices of essential commodities, including sugar and vanaspati, the crash in the prices of agricultural products like cotton, jute and sugarcane, as also the by-passing of Parliament by the Government in finalising the Seventh Plan would be given priority.

Nuclear option to be raised: The Opposition would raise the following subjects: Pakistan's nuclear programme and India's options, the threat to job security of Government employees due to the Supreme Court's judgment regarding the interpretation of Article 311 (2) of the Constitution, the impact of the new textile policy on handlooms, powerlooms, organised mill workers and cotton growers, increased unemployment due to indiscriminate import of sophisticated technology, implementation of Punjab and Assam accord, Central policy regarding overdrafts for States and renewed violence against Tamil-speaking population in Sri Lanka.

Among those who attended the meeting at Prof Dandavate's house were Telugu Desam--Mr P. Upendra, Mr Madhav Reddy, CPI(M)--Mr Amal Datta, CPI--Mr Indrajit Gupta, Congress (S)--Mr V. Kishore Chandra Deo, Forward Bloc--Mr Amar Roy Pradhan, RSP--Mr Piyus Tiraky, BJP--Mr Ashwani Kumar, Lok Dal--Mr Virendra Varma and J and K National Conference--Prof Saif-ud-din-Soz.

/9317
CSO: 4600/1214

TEXT OF CITIZENSHIP (AMENDMENT) BILL 1985

Calcutta THE TELEGRAPH in English 21 Nov 85 p 6

[Text]

Whereas for the purpose of giving effect to certain provisions of the memorandum of settlement relating to the foreigners' issue in Assam (Assam accord) which was laid before the Houses of Parliament on the 16th day of August, 1985, it is necessary to amend the Citizenship Act, 1955.

Be it enacted by Parliament in the thirty-sixth year of the republic of India as follows:

1. (1) This act may be called the Citizenship (amendment) Act 1985.

(2) It shall come into force on such date as the central government may, by notification in the official gazette, appoint.

2. In the Citizenship Act, 1955 (hereinafter referred to as the principal Act), after section 6, the following section shall be inserted, namely:

"6A.(1) For the purposes of this section:

(A) "Assam" means the territories included in the state of Assam immediately before the commencement of the Citizenship (amendment) Act 1985.

(B) "Detected to be a foreigner" means detected to be a foreigner in accordance with the provisions of the foreigners Act 1946 and the foreigners (tribunals) order. 1964 by a tribunal constituted under the said order,

(C) "Specified territory" means the territories included in Bangladesh immediately before the commencement of the Citizenship (amendment) Act 1985

(D) A person shall be deemed to be of Indian origin, if he, or either of his parents or any of his grandparents was born in undivided India,

(E) A person shall be deemed to have been detected to be a foreigner on the date on which a tribunal constituted under the foreigners (tribunals) order 1964 submits its opinion to the effect that he is a foreigner to the officer or authority concerned.

(2) Subject to the provisions of sub-sections(6) and (7) all persons of Indian origin who came before the Ist day of January, 1966 to Assam from the specified territory (including such of those whose names were included in the electoral rolls used for the purposes of the general election to the House of the people held in 1967) and who have been ordinarily resident in Assam since the dates of their entry into Assam shall be deemed to be citizens of India as from the Ist day of January 1966.

(3) Subject to the provisions of sub-sections(6) and (7) every person of Indian origin who;

(A) Came to Assam on or after the Ist day of January 1966 but before the 25th day of March 1971 from the specified territory and

(B) has, since the date of his entry into Assam, been ordinarily resident in Assam, and

(C) has been detected to be a foreigner shall register himself in accordance with the rules made by the central government in this behalf under section 18 with such authority (hereafter in this sub-section referred to as the registering authority) as may be specified in such rules and if his name is included in any electoral roll for any Assembly or parliamentary constituency in force on the date of such detection, his name shall be deleted therefrom.

Explanation: In the case of every person seeking registration under this sub-section, the opinion of the tribunal constituted under the foreigners (tribunals) order 1964 holding such person to be a foreigner, shall be deemed to be sufficient proof of the requirement under clause (C) of this sub-section and if any question arises as to whether such person complies with any other requirement under this sub-section, the registering authority shall,

(I) If such opinion contains a finding with respect to such other requirement, decide the question in conformity with such finding,

(II) If such opinion does not contain a finding with respect to such other requirement, refer the question to a tribunal constituted under the said order having jurisdiction in accordance with such rules as the central government may make in this behalf under section 18 and decide the question in conformity with the opinion received on such reference.

(4) A person registered under sub-section (3) shall have, as from the date on which he has been detected to be a foreigner and till the expiry of a period of 10 years from that date, the same rights

and obligations as a citizen of India (including the right to obtain a passport under the passports Act, 1967 and the obligations connected therewith), but shall not be entitled to have his name included in any electoral roll for any Assembly or parliamentary constituency at any time before the expiry of the said period of 10 years.

(5) A person registered under sub-section (3) shall be deemed to be a citizen of India for all purposes as from the date of expiry of a period of 10 years from the date on which he has been detected to be a foreigner.

(6) Without prejudice to the provisions of section 8,

(A) If any person referred to in sub-section (2) submits in the prescribed manner and form and to the prescribed authority within 60 days from the date of commencement of the Citizenship (amendment) Act, 1985, a declaration that he does not wish to be a citizen of India, such person shall not be deemed to have become a citizen of India under that sub-section,

(B) If any person referred to in sub-section (3) submits in the prescribed manner and form and to the prescribed authority within 60 days from the date of commencement of the Citizenship (amendment) Act, 1985 or from the date on which he has been detected to be a foreigner, whichever is later, a declaration that he does not wish to be governed by the provisions of that sub-section and sub-sections (4) and (5), it shall not be necessary for such person to register himself under sub-section (3).

Explanation: Where a person required to file a declaration under this sub-section does not have the capacity to enter into a contract, such declaration may be filed on his behalf by any person competent under the law for the time being in force to act on his behalf.

(7) Nothing in sub-sections (2) to (6) shall apply in relation to any person:

(A) Who immediately before the commencement of the Citizenship (amendment) Act 1985, is a citizen of India,

(B) who was expelled from India before the commencement of the Citizenship (amendment) Act, 1985, under the foreigners Act, 1946.

(8) Save as otherwise expressly provided in this section, the provisions of this section shall have effect notwithstanding anything contained in any other law for the time being in force."

3. In section 18 of the principal Act, in sub-section (2) after clause (E), the following clause shall be inserted, namely "(Ee) the manner and form in which and the authority to whom declarations referred to in clauses (A) and (B) of subsection (6) of section 6A, shall be submitted and other matters connected with such declarations."

Statement of objects and reasons

The core of the memorandum of settlement (Assam accord) relates to the foreigners' issue, since the agitation launched by the Aasu arose out of their apprehensions regarding the continuing influx of foreign nationals into Assam and the fear about adverse effects upon the political, social, cultural and economic life of the state.

2. Assam accord being a political settlement, legislation is required to give effect to the relevant clauses of the Assam accord relating to the foreigners' issue.

3. It is intended that all persons of Indian origin who came to Assam (including such of those whose names were included in the electoral rolls used for the purpose of general election to the House of the people held in 1967) and who have been ordinarily resident in Assam ever since shall be deemed to be citizens of India as from the Ist day of January, 1966. Further, every person of Indian origin who came on or after the Ist January, 1966 but before the 25th March, 1971 from territories presently included in Bangladesh and who has been ordinarily resident in Assam ever since and who has been detected in accordance with the provisions of the foreigners' Act, 1946 and the foreigners (tribunals) order, 1964, shall, upon registration, be deemed to be a citizen for all purpose as from the date of expiry of a period of 10 years from the date of detection as a foreigner. It is also intended that in the intervening period of 10 years, these persons should not suffer from any other disability vis-a-vis citizens, excepting the right to vote and that proper record should be maintained of such persons. To inspire confidence, judicial element should be associated to determine eligibility in each and every case under this category.

4. The Bill seeks to amend the Citizenship Act, 1955 to achieve the above objectives.

Arun Nehru
New Delhi,
The 15th November, 1985

/9317
CSO: 4600/1222

CPI-M GENERAL SECRETARY OPENS BENGAL PARTY CONFERENCE

Calcutta THE STATESMAN in English 22 Nov 85 p 13

[Text] Cochin, Nov 21--Mr E.M.S. Namboodiripad, General Secretary of the CPI(M), while inaugurating the five-day State conference of his party yesterday, complained that for the first time since Independence, a Bill had been introduced in Parliament seeking to disenfranchise lakhs of people in Assam and warned that it could well happen in other States also.

The Marxist leader said that the economic policy of the Government of Mr Rajiv Gandhi had resulted in growing unemployment and crash in prices of agricultural produce. The country's dependence on "foreign monopolists" could imperil India's leading role in the non-aligned movement, he warned.

Mr Namboodiripad ruled out the possibility of the CPI merging with the CPI(M). The two parties, he said, did not see eye-to-eye on policy issues, including that of sharing power. The CPI(M) would share a power only where it could have a decisive say in the adminstration, he added.

Referring to the deepening crisis in the ruling United Democratic Front in Kerala, Mr Namboodiripad said the CPI(M) would not accommodate the Kerala Congress which found itself at loggerheads with the Congress (I), which leads the coalition Government because of its "sectarian approach" to problems.

Mr Namboodiripad said the slogans of the Kerala Congress calling for a "Punjab-model" agitations to secure the "legitimate" rights of the State was not acceptable to the CPI(M). He wanted the United Front partner to give up this attitude.

Mr P.J. Joseph, Chairman of the Kerala Congress and Revenue Minister in the Kerala Government, said his party would step up its agitation for redressal of the grievances of agriculturalists and it was up to the Congress(I) to decide whether or not it wanted the coalition Government to continue. Dropping the Kerala Congress from the UDF would mean the end of the Karunakaran Ministry.

/9317
CSO: 4600/1226

CPI-M DISTRICT COMMITTEES UPHOLD BENGAL LEADERS

Calcutta THE STATESMAN in English 29 Nov 85 pp 1, 9

[Text] The most important outcome of the just-concluded conferences of the local, zonal and district committees of the CPI(MB) in West Bengal is that the State leadership has been successful in upholding its stand on maintaining the status quo, both in terms of its policies and programmes and continuity of leadership at the lower levels of the party.

The outstanding feature of the conferences was that despite differences and dissensions, the State leadership was not only able to carry with itself most of these committees at the grass-roots level, but successfully overcome the opposition through skilful manoeuvring and resorting to the carrot and stick policy that sought to challenge its political line of maintaining the status quo in the party. Sixteen of the 17 district committees, except Malda, have re-elected their general secretaries, many of whom are said to be close to the present State leadership.

Though many of them had been tipped to be dropped from their important posts because of old age and physical infirmities, they have been "retained" as the State leadership is presently opposed to any change in policy of the party. Even the delegates who will represent the districts at the 15th State committee conference of the party beginning in Calcutta on Friday have been "chosen in such a selective manner" that they do not pose any threat or embarrassment to the State leadership. Party insiders say that with the minimal presence of dissidents ensured the State committee conference, in preparation for 12th party congress, will be smooth going for the State leadership with no major changes, organizational or political, in the offing.

Perhaps no less significant outcome of these conferences is confirmation of the fact that Mr Jyoti Basu is the undisputed and pre-eminent leader of the State party, whose say in controversial matters is gradually becoming final. Since Promode Dasgupta's death, the party has been relying heavily on his image and political experience to lead it. "But now after these conferences, he is no longer the first among equals in the party's collective leadership. He is now leading the party not only in the Government but in organizational matters too.

"His pragmatic role in mollifying criticisms against automation and joint sector projects, in defence of Left Front unity and personality taking the initiative to iron out the differences between factions has largely been responsible in maintaining the party's line--continuance of the status quo. His line favouring selective computerization and joint venture projects has become the party line and accepted by the majority," said an important CPI(M) Minister and member of the State committee.

Contender

What according to the party insiders has greatly helped the State leadership to make even the dissidents at these conferences to fall in line is the gradual emergence of the Congress (I) as a strong contender of the CPI(M) in the State. The State and district leaders at almost all the conferences recalled the "dark days" of the Congress rule when hundreds of their leaders and workers were killed.

The conferences, according to the insiders, were notable for another reason--failure to throw up new political and organizational ideas. The delegates reportedly displayed lack of keenness for new ideas--political or otherwise. They preferred to concentrate their attacks on the "failings" of the party leadership at various levels, groupism in the party, "dead and irrelevant partners" of the Left Front and their "unfriendly MLAs," than on overcoming the functional constraints of a Marxist party operating within the present constitutional framework. But what came to the fore during discussions was the personal and administrative weakness of the party's Ministers and leaders causing disaffection and disunity within the party and impairing its image.

'Intolerance'

The conferences laid bare the prevailing intolerance at the lower levels of the CPI(M) leadership towards the other partners of the Left Front. The contradictions between the State and many district leaders over the issue was prominent. Many leaders of the districts refused to share the political perspective of the State leaders to preserve and strengthen the unity of the Front. Many repeated the theory of polarization of support between the CPI(M) and the Congress (I) and irrelevance of the other Left parties. Some local leaders, as at the Murshidabad conference, described the other Left parties "dead bodies" whose burden could no longer be borne by the CPI(M). Names of "erring" MLAs and leaders of other Left parties were mentioned at some of these conferences for their criticism of the CPI(M). Many demanded that these MLAs should not be renominated or should be replaced by those of the CPI(M)." Our problem is that leaders at lower levels do not realize the political role and necessity of the Left Front," a CPI(M) Minister lamented.

The State leadership had, however, sought to dispel the view by stressing the need to strengthen and unite the Front. The need for this was now greater than ever before. Besides tactical prudence, a united Left rather than the CPI(M) alone could hope to cope with the varied and complex operational constraints of the Front Government and meet the political challenge of the Congress (I).

/9317
CSO: 4600/1238

KASHMIR JAMMAT DENIES LINKS WITH TERRORISTS

Calcutta THE TELEGRAPH in English 23 Nov 85 p 5

[Text]

Srinagar, Nov. 22: The Jammu and Kashmir Jamaat-e-Islami has dissociated itself from the recent terrorist activities in the state and said it would seek a solution to the existing political, economic and social problems only through peaceful means. The party's stand over the state's accession, however, had not changed, the Jamaat chief told newsmen here, urging both India and Pakistan to solve the Kashmir problem amicably.

Amir Gulam Muhammad Butt, Jamaat chief, referring to allegations made by the state police chief—that the Jamaat was involved in the recent bomb explosions and other subversive activities—said the police and intelligence agencies were misleading officials and people by floating "fabricated reports about the Jamaat's functioning." He said, "It seems they have decided to give the dog a bad name and kill him."

Reiterating that his organisation did not believe in violence, whatever the cause might be Mr Butt said the police chief's recent accusations appeared to be part of a "conspiracy" hatched against the Jammat. Asked what could be the purpose of this "conspiracy," he said it was to defame the Jamaat and link it with underground subversive activities so that there was ground to persecute its workers.

Several Jamaat activists were already detained under the Anti-terrorist Act and the state's Public Safety Act, he said. He added it was ironic that not a single allegation against Jamaat activists could be proved in a court of law.

Mr Butt said that he had brought to the notice of the Union home minister, Mr S.B. Chavan how Jamaat activists were being "harassed and dragged into false cases," at a recent meeting in Srinagar.

In reply to a question, Mr Butt said Kashmir continued to be a "disputed territory" and that the question of the state's accession to India was not final but should be reviewed. Since the issue needed to be solved amicably, both Mr Rajiv Gandhi and Gen. Zia-ul Haq should meet at their earliest to resolve the problem. He welcomed the proposed meeting between the two leaders in New Delhi next month, asserting it was a positive step towards bringing peace in the subcontinent.

"To challenge Jammu and Kashmir's accession to India is not against any law because even Islamabad and New Delhi admit that the Kashmir issue is still alive," said the party chief. He added the state was passing through a serious crisis. The situation needed to be reviewed immediately.

/9274
CSO: 5650/0055

INDIA

BIHAR LANDLORDS, LANDLESS ORGANIZE PRIVATE ARMIES

Calcutta THE STATESMAN in English 25 Nov 85 p 9

[Text] Patna, Nov 24--Private armies (senas) are proliferating in Bihar with the growing militancy of the landless. Investigation by UNI revealed that there are at least nine such private armies in the State, most of them organized on caste lines by landlords and some by the landless demanding land reforms, implementation of the Minimum Wages Acts, freeing of bonded labour and provision of house sites.

The latest of these armies is the "Lorik Sena" which struck terror in the interior parts of Nalanda and Gaya districts recently.

Official sources said that the Lorik Sena raided four villages in the Nalanda district on November 15 and killed three people supposed to be members of the "Lal Sena" (Red Army) of extremists.

The victims were dragged out of their homes, shot dead and their bodies thrown into the Phalgu river. The killing was allegedly in retaliation of the murder of two members of the Lorik Sena by the Red Army a day earlier.

Two other alleged naxalites were killed at Ghoshi in Gaya district.

The strength of these rival armies could be judged from the fact that the fighting between them lasted eight hours.

After the armed clashes between these two senas, the State administration despatched two companies of paramilitary forces and asked the district authorities to assess the situation. The Chief Minister, Mr Bindeshwari Dubey, also rushed to Nalanda for a first-hand study of the situation.

Mr Dubey is also understood to have directed the administration to impound illegal arms, round up suspected members of these armies and speed up anti-crime measures.

The violence in Nalanda and Gaya followed a dispute over minimum wages for harvesting crops. Reports received by the police headquarters indicated that tension between the landless and landlords is mounting in more than a dozen districts of north Bihar.

These "armies" are well-organized and in some cases have the backing of even police officials. This becomes clear from a report sent by the Gaya District Magistrate on the involvement of the officer-in-charge of a police station in Nalanda in the Lorik Sena attack on the landless.

The Government has asked the regional Inspector-General of Police, Mr D.N. Sahay, to investigate the report.

Apart from the Lorik Sena and the Lal Sena, there are the Bhoomi Sena, Kuer Sena, Bramharshi Sena, Azad Sena, Srikrishna Sena, Samajvadi Krantikari Sena and Soshit Samajvadi Sena.

The Bhoomi Sena and the Lorik Sena are considered formidable and have been responsible for a series of "encounters" and murders.

Last year as the Bhoomi Sena spread terror in Patna, Nalanda and Gaya districts, the then Chief Minister, Mr Chandra Shekhar Singh announced in the Assembly that the Bhoomi Sena had been declared "illegal" and the administration asked to disarm its members.

/9317
CSO: 4600/1230

TOHRA REELECTED CHIEF OF SIKH COMMITTEE

Calcutta THE STATESMAN in English 30 Nov 85 pp 1, 9

[Text] Chandigarh, Nov 29--Mr G.S. Tohra was today elected president of the Shiromani Gurdwara Pradandhak Committee at Amritsar, according to reports received here. It is for the 14th year that he has been elected to head the all powerful religious body of the Sikhs, which manages historic Gurdwaras. Its budget runs into crores and its leaders influence Akali politics in a big way.

Mr Tohra was named the official Akali Dal (L) candidate by Mr Surjeet Singh Barnala, Chief Minister and acting president of the party, last evening. With the United Akali Dal depleted and in disarray (the only other group to contest the poll), it was bound to be a cakewalk for Mr Tohra. The United Akali Dal only put up a symbolic fight by fielding Mr Bir Singh, a lesser known person, to oppose Mr Tohra. He was defeated by an overwhelming majority--Mr Tohra getting 115 and Mr Bir Singh just nine votes.

It is significant that Mr Tohra had initially expressed his desire against contesting the election this time. In fact, he had said that he would not stand for any office. This was when he was opposing both the Punjab accord signed between the Prime Minister and Sant Harchand Singh Longowal and its architects, including Mr Barnala.

Now, he is with Mr Barnala, who decided to have him as SGPC chief again to strengthen his position in case of factionalism in the party. That Mr Barnala and Mr Badal belong to different camps in the party is too well-known, and Mr Barnala could not afford to have both Mr Badal and Mr Tohra as his opponents in the party. Hence, he opted for Mr Tohra, despite much opposition from various groups in the party.

It is known that Mr Badal's group, Mr Ravi Inder Singh, Mr Amarinder Singh and several others in the Akali Dal (L), were opposed to Mr Tohra being re-elected. The United Akali Dal was against him too.

In the circumstances, the dominant group in the ruling party decided upon the strategy of nominating him as the official candidate. This way, various Akali groups would be duty-bound to support him unless they were prepared to leave the party. This, perhaps, they would not be prepared to do. Also, many partymen would want to support the Chief Minister's nominee, specially when the latter is yet to expand his Ministry. Another factor that goes in favour of the Chief Minister's nominee is that district jathedars continue to be supporters of Mr Barnala.

It was generally felt that Mr Tohra still had the support of 40 to 45 members of the SGPC (it is the same body as last year and has 140 members), while Mr Badal has 35 to 40 supporters, Mr Barnala and Mr Balwant Singh together a little more than 30 and the United Akali Dal about 20.

If the first three groups favour any one candidate, there is hardly any contest left. The United Akali Dal knew it and that is why it fielded a lesser-known candidate for a symbolic fight. Its appeal for a conscience vote could not cut much ice in the present context as the Akali Dal (L) is the ruling party in Punjab.

Mr Tohra stays on as president of the SGPC. The organization will be under renewed pressure to take a more effective stand against terrorism. The pressure has increased after the attack on Giani Sahib Singh, head priest of the Golden Temple and intelligence reports suggest that extremists are gaining strength in the Golden Temple complex once again. The Akalis themselves being the ruling party, it has become important for them to persuade Mr Tohra to do something about it. Mr Balwant Singh, Finance Minister, was rather strong in his demand when he visited Amritsar after the attack on Giani Sahib Singh. Mr Barnala has said that the responsibility for law and order in the complex is that of the SGPC.

Mr Tohra is believed to have had contacts with various sections of Akalis, even with the extremist elements in the complex, and it is to be seen what stand he takes. He had given up his opposition to the Punjab accord, apparently to get Mr Barnala's support for re-election to the SGPC post. In turn, he may be obliged to help Mr Barnala retain the Akali Dal's presidentship. But Mr Tohra has his own politics. Few can predict its course. He is not the type to lie low for long.

The SGPC general house today endorsed the decision of its executive to build the Akal Takht, adds PTI.

In a resolution it called on the management of the SGPC to take steps towards its reconstruction so that its sanctity was restored. The house sought withdrawal of restrictions on visits to Punjab by foreigners, specially visits to the Golden Temple.

The SGPC today conferred on Sant Harchand Singh Longowal, the highest Sikh title of "panth ratan" in recognition of his services for the "glory of the Sikh panth," a resolution adopted by the SGPC general body said.

The general body decided to celebrate the fourth centenary of the Golden Temple on January 3, 1987, in a "befitting manner."

/9317
CSO: 4600/1240

INDIA

BRIEFS

ADVERSE TRADE BALANCE--New Delhi, Nov 19 (UNI)--India had an adverse trade balance of Rs 3,079 crores in the first four months of the current financial year. The nation's adverse trade balance for the whole of 1984-85 was Rs 5,319.21 crores, the commerce minister, Mr Arjun Singh, told the Rajya Sabha today. [Text] [Calcutta THE TELEGRAPH in English 20 Nov 85 p 4] /9317

INDO-PAK BORDER POSTS--New Delhi, Nov 19--The Centre has decided to set up CBI posts along the border with Pakistan in Punjab, Gujarat and Rajasthan to contain extremist activities and smuggling. Official sources said under the new arrangement the Border Security Force (BSF) would hand over smuggler and suspected extremists to CBI officers manning the posts, instead of to the state police. The sources said to begin with, nearly two dozen such posts would be set up along the border. The border operations of the bureau, sources informed, would be looked after by a joint director at the CBI headquarters. Though no decision has been taken, a new post of a joint director might be created for the purpose. Punjab and Rajasthan will have more CBI posts than Gujarat. The new arrangement, the sources explained, is not applicable to Jammu and Kashmir for various reasons. [Text] [Calcutta THE TELEGRAPH in English 20 Nov 85 p 4] /9317

SOVIET OLYMPIC OFFER--New Delhi, Nov 15--A two-member Soviet delegation in India since November 2 is learnt to have offered India to train her sportsmen with their teams for the 1988 Olympic Games in Seoul. The delegation is headed by former hammer throw world record holder, Dr Vasilli Varonkin, and has come here to identify a suitable venue to set up excellence centre with Soviet collaboration. Dr Yuri Kelstchev, who coached the Soviet volleyball teams for the 1964 and 1968 Olympics, is accompanying him. The delegation called upon various Indian sports administrators and suggested that there are two ways of Indian teams. "Either they can train with our teams or our coaches can come here to prepare them. But you should make up your mind fast as time is running out. In case you opt for the latter then more time will be needed to find suitable coaches," Dr Varonkin is learnt to have said. [Excerpt] [Calcutta THE TELEGRAPH in English 16 Nov 85 p 15] /9317

HINDI ORDER WITHDRAWN--New Delhi, Nov 28--The Central Government today withdrew the order issued by it requiring all institutions getting Central grants or other assistance to use Hindi. The withdrawal of the order follows strong protests by AIADMK and DMK members in both the Houses of Parliament and leaders of both the parties in Madras against the order on the ground that it amounted to imposition of Hindi in contravention of the assurance given by the former Prime Minister, Jawaharlal Nehru. The controversial order was issued on November 4 and under that, all autonomous bodies and societies getting grants or other financial aid from the Central Government to the extent of 50 percent and above should follow the official languages policy of the Centre and use Hindi in their day-to-day work. The report on this circular published in THE HINDU on November 25 triggered strong reactions in Madras and M.P.s from Tamil Nadu voiced their strong protests in both the Houses of Parliament on Tuesday. Mr R. Mohanarangam, leader of the AIADMK Parliamentary Party, who had raised this issue in the Rajya Sabha, thanked the Prime Minister, Mr Rajiv Gandhi, and the Union Government for having responded to the public opinion so promptly and withdrawing the order without standing on prestige. [Text] [Madras THE HINDU in English 29 Nov 85 p 1] /9317

NEW BHUTANESE ENVOY--New Delhi, Nov 18--Dr T. Tobgyal has been tipped to be the new Ambassador of Bhutan to India. Though no formal announcement has been made, New Delhi has conveyed its formal approval to Bhutan. Dr Tobgyal will replace Dasho Om Pradhan, who is slated to return to Bhutan shortly to take up another assignment. [Text] [Madras THE HINDU in English 19 Nov 85 p 11] /9317

DELHI LIEUTENANT GOVERNOR--New Delhi, Nov 17--The new Lt Governor of Delhi, Air Vice Marshal (rtd) Harkishan Lal Kapur yesterday warned of firm action against corrupt officials and said he would not yield to political pressure. After taking the oath of office, Mr Kapur told newsmen that steps would be taken to maintain law and order in the capital with the cooperation of the people. He said his predecessor had taken some action to boost the police force and he would try to make it more effective and responsible to the public. Mr Kapur, 62, was administered the oath of office and secrecy by the Delhi Chief Justice, Mr Justice Rajinder Sachar, at a simple function at Raj Niwas.--PTI [Text] [Madras THE HINDU in English 18 Nov 85 p 7] /9317

BIHAR ADMINISTRATIVE CHANGE--Patna, Nov 29--The Bihar Cabinet yesterday decided to bifurcate the Irrigation and the Health Departments to ensure better operational efficiency, reports PTI. A new Department of Water Resources Development and Flood Protection comes into being with Mr Saroj Kant Datta as the secretary as a result of the bifurcation of the Irrigation Department. The Irrigation Department would henceforth deal with maintenance, operation, revenue decision and research in respect of irrigation systems as also the Water and Land Management Institute, Khagaul. Mr P.S. Ohali will be the new Irrigation Development Commissioner. He has also been made principal secretary for irrigation, minor irrigation, agriculture and canal area development agency. The Health Department has been split into Medical Education and Family Welfare with Mrs Malati Sunila Sinha as the secretary, while Mr K.K. Saha, health secretary, would be in charge of the Health Department Besides overall coordination of both the departments. He will also have cadre control of the entire Health Department. The special secretary Irrigation Department, Mr K.N. Misra, has been shifted to the Home Police Department in the same rank, while the special secretary health, Mrs Sunila Basant, has been appointed the commissioner of Santhal Pargana. [Text] [Calcutta THE STATESMAN in English 30 Nov 85 p 11] /9317

ROCKET MOTOR TESTING--New Delhi, Nov 25--The third stage rocket motor static testing, a milestone in the preparation for the launching of the Augmented Satellite Launch Vehicle, has been successfully completed at Sriharikota, reports UNI. With the completion of this test on Saturday, the first three stages of the ASLV have been fully qualified, an official spokesman said here today. The launch facility at Sriharikota and all other ground stations tracking the ASLV had been commissioned, he said. The launch compaign of the ASLV was expected to start next month. The ASLV is scheduled to be launched in March-April next year. [Text] [Calcutta THE STATESMAN in English 26 Nov 85 p 9] /9317

CPI ON SUMMIT--New Delhi, Nov 24--The central secretariat of the Communist Party of India yesterday welcomed the declaration by Mr Gorbachov and Mr Reagan of their aim to prevent any nuclear conflict between the Soviet Union and the USA. A statement by the CPI said the Geneva summit had ended without any agreement on the main issue of halting the nuclear arms race and the Star Wars. But the admission that a war between them "will be catastrophic will help the world peace forces to bring pressure on President Reagan and his allies to give up their Star Wars programme and for reduction of nuclear weapons in a big way." [Text] [Calcutta THE STATESMAN in English 25 Nov 85 p 12] /9317

SOVIET JET FUEL--New Delhi, Nov 21--An agreement for import of 5,000 tons of jet fuel was signed here yesterday between the Indian Oil Corporation and the Soviet foreign trade organization. Mr P.D. Kalkar, General Manager (International Trade), Indian Oil and Mr C.M. Smirnov, Deputy Trade Commissioner, USSR, signed the agreement at the USSR pavilion in the India International Trade Fair. This import is in addition to 2.5 million tons of petroleum products and 3 million tons of crude oil for which an agreement was signed earlier in 1985. USSR is a major supplier of petroleum products and crude oil to India. About 50 percent of deficit petroleum products and 25 percent of crude are received from the Soviet Union. [Text] [Calcutta THE STATESMAN in English 22 Nov 85 p 15] /9317

CONSULATES IN USSR--Moscow, Nov 17--India will soon open two more Consulates in the Soviet Union in addition to the one at Odessa, reports UNI. Sources said the Consulates would be located at Tashkent and the far east Siberian port of Nakhodka. The Consulates are being set up in view of India's growing trade and economic ties with the Soviet Union. Nakhodka, which is gaining importance in Soviet trade, offers India bright prospects for strengthening its relations with the Soviet Union. [Text] [Calcutta THE STATESMAN in English 18 Nov 85 p 9] /9317

NEW TRADE UNION--New Delhi, November 28 (PTI)--Representatives of a large number of trade unions in the capital have decided to form a new trade union organisation called Mazdoor Sangharsh Morcha. At the meeting here yesterday, the delegates set up a preparatory committee with Mr T.M. Nagarajan as convener to call a bigger conference of like-minded trade unions in March next year. [Text] [Bombay THE TIMES OF INDIA in English 29 Nov 85 p 6] /9317

ANTARCTICA EXPEDITION--Panaji, November 27 (PTI)--The fifth Indian scientific expedition which is scheduled to leave for icy Antarctica, will have a special winter team of 15 members to stay behind for 480 days. The team of 87 members, including the 15 winter team members, is being led by Mr M.K. Kaul of the Geological Survey of India. The team, according to the present plans, would leave on November 28 or 29, a spokesman of the Union department of ocean development said here today. The deputy leader of the team is Mr V.N. Nijampurkar of Physical Research Laboratory, Ahmedabad. The ship MV "Thule Land," a Swedish ice-breaker, which is in Mormugao harbour, is likely to arrive here this week, loading of goods was still in progress. [Text] [Bombay THE TIMES OF INDIA in English 28 Nov 85 p 7] /9317

KERALA JANATA, CONGRESS-I--Trivandrum, Nov 25--The Democratic Janata Party led by the Kerala cooperation minister, Mrs M. Kamalam, yesterday decided to merge with the Congress(I) at a meeting of its general council here. With the merger the strength of the Congress(I) in the Assembly will go up to 34 with seven ministers. Mrs Kamalam and her supporters will be formally admitted to the Congress(I) next month. The Kuttiani Congress led by Mr Jose Kuttiani, MLA, is also expected to be absorbed into the Congress(I) on the occasion. The DJP was formed after the Janata (G), itself a splinter which broke away from the Janata to join the UDF, split in the Assembly. Three of the four Janata (G) members in the House moved over to the new group. Later one of them, Mr P.C. Thomas, left to join the Kerala Congress just before the Anti-defection Law came into force. Another member, Mr Kottakuzhi Sukumaran, also resigned from the DJP with the intention of joing the Kerala Congress but he was late and was forced to remain an Independent lest he be disqualified under the Anti-defection Law. This left the DJP with a solitary member and minister, Mrs Kamalam. The Kuttiani Congress was formed by Mr Jose Kuttiani after he was suspended from the Congress(I) along with two others for abstaining from the House during voting on a non-confidence motion against the Karunakaran ministry early last year. While the other two joined the Congress(S), Mr Kuttiani remained an Independent in the Opposition and switched over to the ruling side in the last Assembly session. At a recent meeting here, he and his supporters decided to rejoin the Congress(I). [Text] [Calcutta THE TELEGRAPH in English 26 Nov 85 p 5] /9317

INDO-JAPANESE CREDIT AGREEMENT--New Delhi, November 25 (UNI)--India and Japan signed here today a credit agreement for 39.231 billion yen--about Rs 197.4 crores. The funds will be made available through the Overseas Economic Cooperation Fund of Japan (OECF). The agreement was signed by Mr T. Hosomi, chairman of the OECF and Mr S. Venkataramanan, finance secretary. The amount is earmarked for five projects including gas pipeline project (Rs 80 crores), Sardar Sarovar hydro-electric project (Rs 14.3 crores), and telecommunication project VIII (Rs 48 crores). [Text] [Bombay THE TIMES OF INDIA in English 26 Nov 85 p 9/ /9317

CSO: 4600/1235

IRAN

ARTICLE EXAMINES EFFORTS TO CURTAIL DRUG ADDICTION

Tehran KEYHAN in Persian 17 Nov 85 pp 5, 19

[Excerpts] In the concluding portion of the conference, anti-narcotics campaign experts and officials gave their final views at the KEYHAN session. Finally they reached the conclusion that there is no basic way to eliminate the problem of addiction decisively without uprooting all the fundamental factors in the growth and spread of addiction, including economic, social, and political factors, the cultural aspects, and finally family and educational factors. A special program must be designed and implemented for each of these factors. At the conclusion of this series of reports the hope was expressed that the main and fundamental resources for preparing and implementing new programs will be made available to insiders and officials.

In the previous issue, in a study of the background of addiction and the reasons for the spread of narcotics, ways to implement basic solutions in the fight against narcotics smuggling were examined. In the same connection, comments from conference participants produced the conclusion that despite great efforts by police, judicial, and health officials in the anti-narcotics campaign, the desired success has not yet been achieved in this area. Conference participants believe that the chief reasons for the lack of success have to do with lack of coordination between the involved organizations, ambiguities in the law, the lack of a controlling legal apparatus, and the lack of economic and social projects to uproot the basic causes and factors in the spread of addiction. In today's report, as we pursue the issues previously discussed, we will discuss the situation at the island for addicts, and then we will study the cultural and propaganda activities which have been carried out in this area, and their necessity.

Project to Send Addicts to Island

The project to send hardened addicts to a remote island to the south of the country was first proposed early in 1359 [21 Mar 1980 - 20 Mar 1981] by media officials. The idea was raised again from time to time, and addicts were warned that if they insisted on continuing with their addiction and declined to quit decisively, they would be exiled to an island. In the first half of the month of Mehr last year [23 Sep - 7 Oct 1985] the first group of addicts, including 300 hardened addicts, was sent from Tehran to Shirin-e Now Island south of Bushehr. From that time on the sending of hardened addicts to this island from various cities in the country has continued regularly. According to statements by the officials involved, this island has 15,000 persons, and can accommodate 30,000 if necessary. Concerning the island, a necessary topic of discussion is whether the aim of sending addicts to this island is their rehabilitation and cure, or whether it is to isolate them from society.

In this connection, although there are various rumors in circulation concerning this island, some of which even refute its existence, Hojjat ol-Eslam Zargar, supervisor of the anti-narcotics revolutionary prosecutor's office, said: This island exists and there are now 3,000 addicts there who have been sent from various cities. The island is not for quitting addiction, but to isolate addicts from society. The very existence of an addict is a corrupting factor, because an addict who has quit his addiction several times definitely has no source of income. Such people are therefore drawn into the distribution of narcotics to feed their habit, in order get other people addicted. On the other hand, because of the corruption that they cause, the problems that they make have rendered their families helpless. Contacts with families have made this clear, because in referring to us they never object to sending addicts to the island. They simply want information about their situation, and for this purpose written communications have been established, where families post their letters, to be delivered by the prosecutor's office, at specified boxes. The addicts, in turn, submit letters to the prosecutor's office, which delivers them to their families.

He added: The sending of addicts to this island under Article Five of the Security Law is not so that they will quit their addiction, but to isolate them from society, because their very existence in society corrupts others. In general, for every crime, if a person has two previous convictions and is arrested on a third offense, under the law he must be imprisoned, and the religious magistrate must stipulate that he has become a hardened criminal. Therefore, in this special case the addict is designated a "hardened addict," and under the law he may be kept in a remote place indefinitely with no restrictions.

He continued: Concerning the facilities at the island, we must say that it is precisely like a prison, and addicts are treated as prisoners. Since these people have been convicted, the same food and activities are provided for them that are provided in the prisons. Of course we were hoping to have more facilities than are now presently available, but unfortunately we had problems, and this kept resources below optimum levels.

Relocating the Island of Addicts

Hojjat ol-Eslam Zargar announced that the exile site for hardened addicts would be moved from Shirin-e Now Island to another island. He said: Although this island has been transferred to us on paper, due to the fact that national affairs have left it severely deficient, agreement has been reached to select another site, where extensive facilities will be available to employ addicts when it is ready. Facilities have been installed there already to the extent possible, and other facilities such as looms and presses will be transferred there soon.

He emphasized again: Addicts at the island are treated exactly like prisoners in a prison, and the administration there is now under the direct supervision of the supreme judicial council. These people will remain there until narcotics are eliminated from society and these addicts will not be able to seek narcotics when released.

Hojjat ol-Eslam Zargar was asked about the possibility of reporters visiting this island to report on it, which could be fruitful. He said: After the site is changed to another island in the not-so-distant future, this will be possible.

Cultural Activities

As has been noted in previous issues, in addition to its social, economic, and political dimensions, the matter of addiction also has cultural roots. Therefore, in order to secure agreement on a comprehensive anti-addiction and narcotics campaign, the cultural aspects must also be considered and measures taken.

In the same connection, the Anti-Narcotics Smuggling Campaign Coordination Staff, which was formed in the Ministry of the Interior, allocated part of its activities to research and propaganda, and these activities are the responsibility of this ministry's General Social Administration. Masjed Jame'i, of this administration, gave the following report on the research and propaganda activities: Following the formation of the Anti-Narcotics Smuggling Campaign Coordination Staff in the Ministry of the Interior, a decision was made to form research and propaganda units. A committee for this purpose was formed for the first time at a seminar held in Mashhad, and since this is seen as a social issue, the Ministry of the Interior's General Social Administration decided to research the formation of the above unit.

He continued: In any case, our propaganda approach is divided into two dimensions, the general and the regional. General propaganda is directed uniformly to all individuals and areas throughout the country, chiefly through the media, textbooks, educational facilities, newspapers, and the like. He added: Regional propaganda is carried out in view of the extensive social and cultural environments and the level of smuggling in various areas. For example, Sistan va Baluchestan and Kerman is a special area for us, and in the same connection Gonbad and Eastern Khorasan are also very important to us.

Discussing the cultural background in various areas which have led to the spread of addiction and narcotics smuggling, Masjed Jame'i then mentioned the appearance of this issue in Iran's folklore and literature. In the same connection, he added: It is natural that under such circumstances if we cannot make special cultural changes, all of our judicial and police organizations will not be able to reach a conclusion. For the addiction problem a general cultural mobilization must take place, and the clergy is generally the factor for its implementation. We thought that if we could cooperate closely with the clergy, we would be able to succeed admirably in this area. On this basis we established contact with the Islamic propaganda organization, and arrangements were made for the clergy to say things concerning narcotics in view of the conditions and exigencies of time and place, and to lay special emphasis on the relevant aspects of religious law. Our problem in this connection was, what should be said concerning addiction from a cultural perspective? For this purpose we prepared a pamphlet of about 100 pages titled "The Role of Addiction in Destruction and Domination," which we sent to the clergy, the Friday imams, and other propaganda organizations and groups.

He added: Overall, this move was successful and was able to gain good results. Another good move that the Ministry of the Interior made in this area was a theological decree issued by the Sunni clergy declaring narcotics to be religiously unlawful. This was a very basic step which prepared the way for police and judicial measures in the area, and a large quantity of narcotics was turned in. Of course little work has been done in this area, and more positive results could have been obtained.

Continuing his discussion of propaganda activities, he added: We have had reports that addiction is spreading among students, which is very unfortunate. Two steps were taken in this area. We sent a letter from the Ministry of the Interior to the Ministry of Education and Training and asked them to include material in textbooks such as those on sociology, history, and Persian language in various contexts, directly and indirectly

Table of Side Effects and Afflictions Resulting from the Consumption of Various Narcotics

Effects	Type of Narcotic								
	Heroin	Morphine	Codeine	Opium	Amphetamines	Cocaine	Barbituates†	LSD‡	Marijuana, Hashish
Drowsiness	x	x	x				x		x
Hyperactivity					x	x		x	x
Restlessness, Irritability					x	x	x		x
Agitation	x	x	x	x	x	x		x	x
Euphoria	x	x	x	x	x	x	x	x	x
Depression				x			x	x	x
Hallucination		x			x	x		x	x
Irrational Behavior							x	x	
Talkativeness					x	x			x
Anxious or Defective Speech	x	x	x				x	x	
Laughter							x		x
Trembling					x	x		x	
Disequilibrium	x	x	x				x		x
Weakened Reactions	x	x	x	x			x		x
Contraction of Pupils	x	x	x				x		
Expansion of Pupils					x	x		x	
Loss of Appetite	x	x	x	x	x	x			
Distortions of Time and Space								x	x
Constipation	x	x	x	x					

†Barbiturates: Sleep-inducing pills.

‡LSD: A hallucinogen.

The denial of narcotics to an addicts has the following effects:
Restlessness, irritability, agitation, depression, hallucinations, paranoia, dizziness, trembling, tearing at the eyes and nose, sleeplessness, nausea, colic, and diarrhea.

The consumption of narcotics brings the following dangers:
physical or psychological addiction, increased consumption, confusion, lack of alertness, swollen liver, death due to the unavailability or excess consumption of the substance, psychological derangement, psychological distress.

dealing with the effects of addiction. In this regard we also contacted experts in the Textbook Organization, who said measures have been taken and will continue.

Another measure we took in this area was the publication of a pamphlet entitled "The European Disturbance," in cooperation with the Student Union of Islamic Societies, which was distributed in the schools. This was an appropriate undertaking.

On the other hand, in view of the expansion of addiction in the villages, which has a political side (farmers make up the largest group of addicts, followed by workers), with the cooperation of the Reconstruction Crusade, the matter was given attention and projects were created. Arrangements were made for the Reconstruction Crusade to do research in this area, as well as to write about it in its publication.

Another matter was the approval of a propaganda statement of purpose in with 15 articles.

Concerning research activities which have been carried out in this area, Masjed Jame'i said: A seminar was held in Hamadan to collect ideas and for the country's executive officials to become familiar with scientific and research areas, so that university people and professors would also become familiar with executive methods. We hope that it will be possible to bring about close cooperation and coordination practically and theoretically between these two groups, and, God willing, more useful and effective ways will be found to fight addiction.

9310
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IRAN

EMIGRE PAPER VIEWS TIES WITH SYRIA, COMPROMISES

London KEYHAN in Persian 12 Dec 85 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Article by 'A. Navak]

> [Text] Although the Islamic republic has resumed oil shipments to Syria, there is no indication that Damascus and Tehran have resolved all of their differences. Western diplomatic sources in Tehran, noting a joint announcement issued last week from Tehran by the Islamic republic and Syria at the conclusion of a visit by a high-ranking Syrian delegation, believe that among the various disagreements between the two countries, partial agreement has been reached on only two issues. Rather than the basis for the creation of subsequent agreement, this partial agreement is more like a concealment of a fire under the ashes of "immediate mutual interests."

Several days before Dr 'Abd al-Ra'uf al-Kasm, Prime Minister of Syria, came to Tehran at the head of a high-ranking delegation composed of the Foreign Minister, the Minister of Economy and Foreign Trade, the Minister of Industry, and the Minister of Mines, the newspaper EBRAR wrote in a discussion of Iran's relations with Syria: It is amazing that a friend does to us what an enemy has never done. They wound our friends in Tripoli and cut of the heads of the Imam's children in Beirut. They take 600 million dollars in tribute from America's agent Saudi Arabia to make peace with Jordan and Iraq, they openly stand against the sacred movement of Islam, and then when we stop sending them oil for a time for technical reasons and because of their failure to pay what they owe us, they create an uproar saying we are betraying the friendship.

The newspaper EBRAR ends by concluding that Islamic republic officials must clearly tell the Syrian delegation--which is to come to Iran soon--that a one-way friendship has no meaning, and that if Damascus really wants amicability and friendship with Tehran, it must at least respect the first principle of cooperation, which is mutual understanding and equally shared interests.

According to the reports in Beirut newspapers, the first thing Dr al-Kasm discussed with Mir Hoseyn Musavi when he came to Tehran was the unfriendliness of the Islamic republic press toward Syria in recent months.

It is said that the Syrian ambassador to Tehran, Colonel Ibrahim Yunis, who is a prominent communications officer in the Syrian Security Organization, has learned Persian well due to having lived in Tehran seven years. The moment Dr 'Abd al-Ra'uf al-Kasm arrived in Tehran, he gave him a translation of the EBRAR article and the analyses of the newspaper JOMHURI-YE ESLAMI concerning "plots against Islamic forces by polytheists and American agents in Lebanon."

Despite all this, the importance Tehran attached to the Syrian Prime Minister's trip shows that in these times of no support and isolation the Islamic republic is clinging to its tactical friendships tooth and nail, although these have been reduced in number as well, even if it is obliged in so doing to overlook a great many of its declared principles.

In the Syrian delegation's recent trip, the Islamic republic was only willing to resume shipments of free and cheap oil to Syria in exchange for the Syrian Prime Minister's agreement to meet with Hojjat ol-Eslam Baqer-Hakim, spokesman for the Supreme Islamic Revolutionary Council in Iraq, which was seen as a form of official recognition of this council. This is at a time when political conflicts between the Islamic republic and Syria remain in four important areas, and when the two parties were only able to agree to work to resolve the conflicts. What are these conflicts?

Four Conflicts

First, the differences between Syria and the Islamic republic arise out of the fundamental contrast between the world views and manner of seeing and believing in the two regimes with regard to the basis for governmental authority.

According to its constitution, the Islamic republic has a regime which espouses Islamic unity, and all of its efforts are aimed at removing the geographical boundaries in the Islamic world and creating an "Islamic internationalism." In this regime governmental authority comes from that God whose vital representatives are the prophets, the imams, and after them the deputies of the Imam of the Age, the Chief Theologian and the grand ayatollahs.

A socialist regime is in power in Syria, where, based on the constitution, the Ba'th Socialist Party holds power given to it by the nation. There are three primary principles in this regime, "unity," in the sense of unity of the Arab nation, "freedom," in the sense of freedom for labor unions, federations, and guilds, and "socialism," in the sense of scientific socialism. It can be said that in the last 15 years the Alawite minority has come into the government as an elite group with more power than that of the party, and that the major security, military, and political posts are held by this minority, but in the framework of the governing system, party regulations are still the most important regulations. An Alawite officer may hold the most important communications post, but only with party confirmation through the Central Committee and the Supreme Council can he be elected to chief of the intelligence organization.

Thus, faith in Arab nationalism and efforts to realize ethnic internationalism, or "Arab unity," is in complete conflict with the belief of the leaders of the Islamic republic in Islamic unity and with their vigorous opposition to nationalism.

Likewise, concerning governmental authority, while the Ba'th party claims to be working for government of the people, the Islamic republic is not concerned with the people, and regards its authority as coming from that God.

When the Islamic republic was first established the Syrian Muslim Brotherhood, hoping that with the installation of an Islamic republic in Iran there would be a strong shelter for them in Tehran, hurried to meet with the ayatollah, but, due to the Islamic republic's higher interests and the latitude of its new religious authority, three manacled Muslim Brotherhood members were delivered to the Syrian Embassy in Tehran thanks to Syrian supporters in the Iranian government such as Dr Chamran and Sadeq Tabataba'i.

In a statement issued in May of 1979, the Syrian Muslim Brotherhood cited this incident and reported the execution of three leaders of this society in Damascus after they were extradited by the Islamic republic. Some time later, when the Raf'at Asad special force brought the city of Hama down on the heads of the Muslim brotherhood, killing more than 25,000 people, the Islamic republic declined even to condemn this act.

In the course of almost seven years since the Islamic republic came into power, the two parties have attempted, so far as possible, to conceal their basic differences on the above matters. Even so, these conflicts have emerged at times in connection with peripheral issues having to do in some way with the political world views of the two regimes.

The second conflict between the two regimes is based on Lebanon. Prior to the efforts of the Islamic republic, Syria had hoped that its unofficial influence in Lebanon would gain official status, and to install a government in this country that would be subservient to Syria, which at the same time would not differ greatly outwardly from the government in power in Syria.

After 1982 the Islamic republic purchased the loyalty of a great many of Lebanon's paramilitary groups by pouring money into the country, in contrast to Syria, which had come empty-handed into the country with only weapons and bullying.

In 1982, when the maximum cost of a rifleman was 300 dollars per month, the Embassy of the Islamic Republic, by paying 1,000 dollars, attracted many people to the ayatollah's version of Islam.

At this time, with the help of the Islamic republic's news media and the voices that had been purchased, a series of personalities were created in Lebanon who had been nothing more than village chiefs in Southern Lebanon or the Friday imams of mosques in remote hamlets.

These people include such persons as Sheikh Mohammad Hoseyn Fazlollah, Mohrim al-'Arefi, Sheikh Sa'id Sha'ban, Sheikh Salah Araqeh'dan, and Hoseyn Musavi.

Clearly, the semi-feudal Lebanese government, along with its warlords, were not willing to accept these people as participants in power. For this reason, to cope with these people--who had a great deal of money in their pockets--they turned to Syria.

Especially after the departure of the Palestinians from Lebanon, Damascus succeeded in filling the gap left they left behind.

From that time on Syria established a triumvirate of power in Lebanon, giving one third to the Druse, led by Walid Jumblat, one third to the Amal movement led by Nabih Berri, and a third to the Maronite Christians.

The Islamic republic, which expected to gain a portion of this triumvirate, spared no form of sabotage to prevent the implementation of Syria's plan.

The collision of interests between the Islamic republic and Syria reached its peak during the siege of Tripoli, when Tehran openly threatened Damascus that if it continued pressuring the Muslims of Lebanon it must expect a strong reaction from Tehran.

Syria paid little attention to these threats. The leaders of Syria are well aware that the Islamic republic's need for an Arab supporter in its war with Iraq makes it powerless to react against Damascus.

After al-Kasm's trip to Tehran it appears that currently the Islamic republic officially accepts Syria's role in Lebanon.

There is a great probability that Tehran's acceptance is due to guarantees given by Damascus that it will continue to stand beside the Islamic republic in the war with Iraq.

Beirut newspapers have reported that the Syrian prime minister promised the Islamic republic that the renewed relationships between Syria and Jordan and the secret talks between this country's security officials and the Iraqis will not damage relations between Tehran and Damascus.

But will there be any guarantees to support this promise? Syria's past behavior with regard to its allies shows that the Syrians have violated their commitments repeatedly.

Iraq's Future

Concerning the Iran-Iraq war and the ayatollah's dream of establishing a caliph-like scenario in Baghdad, despite its support of the Islamic republic in the war, Baghdad has taken views entirely in conflict with those of Tehran.

The Syrians, who are Iraq's rivals for leadership of the Ba'th party, have established the "Iraq Liberation Front" in Damascus, which includes Ba'th political leaders, Nasserists, and Iraqi communists opposed to Saddam Husayn, and have invited a group of Kurds to Damascus. For the last six years the Syrian press has presented this front as the successor to Saddam's regime.

Tehran, in turn, has assembled Islamic groups--including the al-Da'wah Party, the Mojahedin Movement, the Islamic 'Amal Party, and the Barzani Kurds--under the mantle of the Supreme Islamic Revolutionary Council of Iraq, and wants to install an Islamic government in Iraq led by this front.

Until al-Kasm's trip to Tehran, Damascus was in no way amenable to Iran's alternatives for Iraq. The Syrians have always looked upon individuals such as Seyyed Baqer-Hakim, who also had close relations with with Iran's former regime, with suspicion.

However, in exchange for renewed shipments of oil from Iran to Syria and Iran's official recognition of Syria's role in Lebanon, the Syrian prime minister, in a two-hour meeting with Hojjat ol-Eslam Baqer-Hakim, was willing for the first time to adjust his country's former position concerning the Supreme Islamic Revolutionary Council.

Economic Talks

The Syrian prime minister was accompanied on his trip by Farouk al-Shara', Minister of Foreign Affairs, Salim Yasin, Deputy Prime Minister, Muhammad al-'Imadi, Minister of Economy, 'Ussam Ni'man, Consulting Minister of Foreign Affairs, and Engineer 'Ali Tarablus, Minister of Industry. This is the highest-ranking Syrian delegation to visit Iran since the Islamic power was established.

The semi-official newspaper NESHRIN reported in its 2 December issue that the itinerary of the Prime Minister and his entourage included a visit to the Behesht-e Zahra Cemetery, reading the opening verse of the Koran over the graves of Raja'i, Bahonar, and Beheshti, visits to the Iran National factories, a talk with Musavi, and meetings with Khamene'i, Rafsanjani, and Velayati.

During these meetings, Iran agreed to a one-year extension of the repayment period for Syria's 1.7 billion debt to Iran.

According to Majlis Act 52012, dated 18 Shahrivar [9 Sep 1985], concerning the shipment of one million tons of free oil and five million tons of low-cost, Majlis deputies required the government to collect the remainder of Syria's debt to this country by 10 Mehr [2 Oct 1986].

The MEDALIST wrote in its December issue that Syria has not paid back even one dinar of its debt to Iran.

A thumbnail calculation shows that in delivering a million tons of free oil and five million tons of low-cost ($2.50 below the market price) oil to Syria next year the Islamic republic will be paying 300 million dollars in tribute to Syria, to keep Damascus from abandoning the Islamic republic in its war with Iraq.

It is notable that Syria, by agreeing to the peace plan with Jordan and making efforts to resolve differences with Iraq--which was proposed and pursued by Saudi Arabian crown prince 'Abdullah--obtained an additional 350 million dollars from Saudi Arabia.

Among other results of the Syrian delegation's trip was the Islamic republic's agreement to ship 15,000 Peykan passenger and delivery cars at finished prices in exchange for Syrian agricultural and plastic products.

In the joint statement issued by Islamic Republic Prime Minister Mir Hoseyn Musavi and al-Kasm at the conclusion of the latter's trip to Tehran, Syria declared its support for the Islamic republic in the war with Iraq, but refrained from any sort of specific mention of the nature of this support. In the joint statement, both parties, while declaring their support for Libya against American and Egyptian imperialist plots, announced that they are prepared to use all their power to aid Colonel Qadhafi's regime.

In the concluding statement of 'Abd al-Ra'uf al-Kasm's visit to Iran, it was also said that the Syrian government has assurances that the Islamic republic has no territorial aspirations of any kind in Iraq. With this reference, the Syrians were refuting Iraq's claims that the Islamic republic wants to annex portions of Iraqi soil.

9310
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FULL RESTORATION OF POLITICAL PARTIES URGED

Lahore NAWA-I-WAQT in Urdu 3 Nov 85 p 10

[Editorial: "Political Parties--Do Not Have Mental Reservations"]

[Text] Federal Minister of Law and Parliamentary Affairs Iqbal Ahmad Khan told press representatives in Lahore that the draft of the political parties law will be submitted in the opening session of the National Assembly on 4 November and that he expected it to be passed in the same session. The draft law is of great importance because of the two basic stages which Prime Minister Mohammad Khan Junejo considers of fundamental importance for lifting martial law by 31 December 1985 (or even earlier). The first stage has been completed with the passing of the eighth constitutional amendment bill. The second requirement, according to the prime minister, is to the political parties law which he hopes will be approved unanimously as happened with the constitutional amendment.

The nature of the proposed political parties law will become clear after the draft is introduced in the National Assembly in the near future, but it is no secret that the now acceptable demand which has gained acceptance to keep this proposed political parties law out of the constitutional amendment bill will be heard again. According to the (brief) statement to the press by the federal minister of law and parliamentary affairs, political parties will be organized on a national basis, an election commission will be empowered to register them and the government will treat them all equally without any discrimination. Such broad principles have been briefly mentioned before and suggestions abcut the organization of political parties on a national basis have included such proposals as that parties should be required to obtain a proportionate number of votes in provincial as well as national elections and that parties that fail to meet this requirement should be disbanded. It has been proposed that parties be required to obtain 5 percent to 10 percent of the votes in nationwide elections and 2 percent to 5 percent of the votes in provincial elections. Under the leadership of Federal Minister of Interior Mohammad Aslam Khatak and Fida Mohammad Khan, the special committees of the National Assembly and Senate have also made certain suggestions in this connection which have been discussed in detail in both houses of parliament.

It is to be expected and hoped that in the draft law pertaining to political parties, the federal minister of law and parliamentary affairs has kept in view not only the recommendations made in the report or the special committees but also the discussions of them in the National Assembly and the Senate. In the general discussions in the near future, it is naturally to be expected that what Iqbal Ahmad Khan said should form the most important topic. He said that, in 1990, elections would be held on a party basis, but in the interim, elections would be on a non-party basis. He was speaking with reference to the eighth amendment bill under which in the intervening period, the president will nominate for the office of prime minister the candidate he considers to be the most capable of receiving the National Assembly's vote of confidence. But Iqbal Ahmad Khan was probably not taking into account the fact that the term of office of provincial governors will end 2 years before 1990, that is, in 1988. One gets the impression from his statement that the method followed on the federal level will be different from that followed in the provinces. The hidden effects of such a dual approach are obvious and need no elaboration.

The influence of non-party politics on the mode of thought of the authorities is no secret. After the detailed discussion in the National Assembly on the restoration or reorganization of political parties when passing the proposed parties legislation was considered the second most important stage after the lifting of martial law, the president, nevertheless, in his recent speech in the National Assembly, laid particular emphasis on the continuation of non-party politics and methods in a non-party assembly elected on a non-party basis. It is not difficult to understand the president's wish and mode of thinking, but in view of the importance that the issue of the restoration of parties has gained and since a parties law is being passed, expressing hopes for non-party politics seems irrelevant in the present situation. To entertain such hopes seems "sheer madness" and an impossibility, as Iqbal Ahmad Khan has pointed out. The expectation being voiced that the proposed legislation on parties would be passed by general consensus as was the constitutional amendment bill does not seem practicable. If reliance is placed on a majority alone, the issue of a general consensus will become a thing of the past, and dissension and confrontation will lead to bitterness and unpleasantness. In order to achieve unanimity, there has to be give and take. It has been seen how, when the constitutional amendment bill was passed unanimously in the National Assembly, it was based on compromise, with an agreement being reached to present a ninth constitutional amendment bill before the eighth constitutional amendment could be approved in the Senate.

Obviously, when the restoration and reorganization of political parties comes about, the effect will be felt in the national and provincial assemblies which have been elected on a non-party basis and where, in the absence of political parties, the vacuum has been filled by government and independent parliamentary groups. Moreover, it is no secret that, even though parties are regarded as defunct, a large number of the elected members are connected with political parties. Undoubtedly, when political parties are restored, the connection of assembly members with these parties will become even more open. The point of view of the federal minister of law or the government may be important in itself, but the political process that has been started with the creation of elected assemblies cannot be held back. It

It is particularly important to note that political parties are an integral part of the parliamentary system claimed to have been established. It would thus be better to end mental reservations in matters concerning politics and democracy and to accept whole heartedly our political traditions, the people's mode of thought and temperament, the interests of the country and the people and the demands of the parliamentary system. While parties are being restored or reorganized, such things should not be said and done which would be difficult to accept mentally because they would appear to the people as not only out of step with the times but also contrary to the dictates of reason. After the restoration of democracy, the situation will not stay the same as it was under 8 years of martial law. The restoration of democracy will create its own conditions; insistence on mental reservations dictated by certain considerations will only add to the problems and will not create an atmosphere conducive to the healthy development of robust democracy.

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SUPPRESSION OF BASIC RIGHTS FEARED

Karachi JASARAT in Urdu 29 Nov 85 p 3

[Editorial: "Even After Martial Law"]

[Text] Mr Iqbal Ahmad Khan, minister of law and parliamentary affairs, confirmed in an interview with the BBC that several articles of the constitution including basic human rights may still be suspended even after martial law is lifted. He added that he was not sure when these articles of the 1973 Constitution will be reinstated. This will be a presidential decision. Forming a political group, freedom of speech and assembly are included in basic rights.

The above statement by the minister of law and parliamentary affairs will worry every democracy-loving Pakistani. The question is what is the use of lifting martial law if basic rights are still denied us. During martial law, people do not worry about freedom of speech and writing or assembly since they know they are being ruled by force. Military law heeds no one but itself. However, at a time when there is talk of lifting martial law on 31 December 1985, a democratic government is being established, parliament is being furnished with full rights and military officers are telling us that all governmental affairs are being run by elected representatives, being told that there will be no changes in basic rights makes the whole thing a joke. Politicians who had boycotted the recent elections have been telling us that a parliament elected as the result of non-party elections cannot do anything about martial law. When Prime Minister Junejo announced that the sunrise of 1 January 1986 will not see any martial law, skeptical politicians had commented that the present martial law will change into civilian clothes. Now a public representative and a very important member of the civilian government is telling us that the basic rights will remain suspended even after martial law is lifted. There will be no freedom of speech or the press or the right to assemble. Should this happen, the people who have been elected to various legislative assemblies will not be able to appear in public. Not only that, but people who went out to vote in great numbers will regret it. They will know they were wrong to vote, anticipating democratic rule. We would like to ask this government to try to realize people's hopes even for once. If lifting martial law does not reinstate basic rights, will angels come down from heaven to do that! We dare to ask Iqbal Ahmad Khan Sahib the reasons for not reinstating basic rights. If he does not know when these articles of the 1973 Constitution will be implemented then he should at least tell us who can answer this question.

According to some informed sources, after martial law is lifted, instead of giving us our basic rights, they will declare a state of emergency to prepare for the new government. President Zia can use the rights given him by article 232 of the Constitution to declare an emergency. He can suspend other articles, especially article 17, which permits people to unionize or form parties. The recent interview with the minister of law has confirmed these fears. After 8 years of martial law, steps began last February to bring democracy back to this country. We are expecting full democracy by 31 December. We are requesting our leaders not to create an atmosphere of suspicion and mistrust because we need people's faith in the establishment of democracy more than anything else. We just do not understand how a responsible cabinet officer could make statements that confuse and disappoint people in our nation. He is trying to undo a whole year's hard work. Several statements made during the last few weeks will force people to believe that martial law is here to stay. Will the president and the prime minister come foreward and tell people what is happening?

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MUSLIM LEAGUE URGED TO ORGANIZE ITSELF

Lahore NAWA-I-WAQT in Urdu 1 Dec 85 p 2

[Editorial: "Responsibility of Muslim League"]

[Text] Pir Sahib Pagara has asked all Muslim Leaguers to be prepared to face various problems when martial law is lifted. He believes that the Muslim League is responsible for protection of the country's ideology, implementation of the Islamic government and keeping peace in the country. The Muslim League has given up the unenterprising role it has been playing for a long time. Pir Sahib made this statement while meeting a deputation of Muslim Leaguers from Sakkar in Pir Jogoth. He said that being the founding political party of Pakistan, its role does not need definition. Even though the Muslim League is also "defunct" like all other political parties, the appointment of Prime Minister Junejo as chairman of its reorganization committee clearly indicates a major role for Muslim League in the country's politics. Pir Sahib has already said that after martial law is lifted the Muslim League (like the Republican Party and the Convention League) will not be a government sponsored party. However, he added that it will be a Muslim League government. This is equivalent to accepting the huge responsibility.

The February 1985 elections were held on a non-party basis. However, it is believed that most of the elected politicians belong to the Muslim League, or as Pir Sahib put it, "subscribe to the Muslim League ideology." Recently an effort was made to associate the majority parliamentary group with the Muslim League. The members (including cabinet ministers), however, did not feel it appropriate to sign a written agreement to this effect since they had run in the elections against declared Muslim League candidates. It is believed, however, that when political parties are established, the majority of elected members of the National Parliament and the provincial assemblies will favor the Muslim League. Only time will tell; however, no body can hide the fact that people either openly belonging to Muslim League or sympathizing with it are all over the country. Actually, they are already being considered or called Muslim Leaguers. The Muslim League will become a major political party not only in the assemblies but also outside of it if proper attention is given it. However, we have to be careful about the power-hungry opportunists who change their loyalty whenever opportunity knocks. At the time of reorganization such people must be weeded out so the authentic Muslim Leaguers are established in those important positions mentioned by Pir Sahib Pagara.

The mere possibility of the Muslim League's emergence as the largest party will not give it the influence it wielded when Pakistan was created. Other political parties have to join the Muslim League in protecting the national ideology, implementing an Islamic form of government and maintaining peace and order in the nation. They all have to cooperate during this transitional phase until martial law is lifted or even until the next general elections. The Muslim League, being the major party, will have to bear most of the responsibility. Being the founding party, it has to play an exemplary role in making the country strong, and an Islamic government stable. When democracy is fully established, the Muslim League will have an easy time and will have plenty of opportunities for its members. At that time all Muslim Leaguers must demonstrate patience, unity, self-discipline and an orientation to service to be successful. According to Pir Sahib Pagara, only positive action will remove the stigma that the Muslim League carries because of its long period of inactivity. The formal reorganization of the Muslim League will begin after martial law is lifted. However, leaders and intellectuals in the Muslim League should start doing their homework in the areas of the responsibilities Pir Sahib has mentioned. The responsibility will be imposed suddenly while the reorganization will take a long time.

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RETURNING PAKISTANI WORKERS ADD TO UNEMPLOYMENT WOES

Lahore NAWA-I-WAQT in Urdu 3 Nov 85 p 10

[Editorial: "Workers Returning from Foreign Countries"]

[Text] Haji Mohammad Hanif Tayeb, federal minister of labor and manpower, told the Senate that 9,000 Pakistani workers are returning each month. He said that because of the completion of construction projects for highways, buildings and so forth in Saudi Arabia, unskilled Pakistani workers would, in all probability, be returning home. He reassured the Senate, however, that the government had taken various measures to ensure the economic welfare of the returning workers and had included the creation of 3.3 million new job opportunities for them in the sixth development plan. The figures quoted by the Minister are undoubtedly correct; however, in regard to the measures for economic welfare, questions which need no explanation arise about their nature and expected result.

Pakistani workers overseas not only provide income for agents in Pakistan and for visa officers overseas, but they also contribute 600 or 700 rupees individually to the Pakistan treasury. Their collective contribution must now total several billion rupees. There has been much publicity about the plans to use this money in the interest of workers returning from overseas. The arrangements for transportation from airports to their residences and the acquisition of land lots and newly constructed houses in subdivisions is well known. Moreover, the gift and personal baggage schemes have so flooded homes and shops with foreign goods that articles made in Pakistan no longer have any appeal. But these individuals have not succeeded in saving any appreciable amount of money nor has the hope for increasing job opportunities, which is the first requirement for the economic well-being of returning workers, ever been realized. According to recent newspaper reports, the number of people in search of jobs has reached 500,000. The addition of 9,000 individuals a month to the ranks of job seekers will create a situation the gravity of which can be easily imagined. The difficulties will only increase with the passage of time.

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END